



**1998**

# ***Illinois Register***

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## **Rules of Governmental Agencies**

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April 17, 1998 - Issue 16: Through March 31, 1998  
July 17, 1998 - Issue 29: Through June 30, 1998  
October 16, 1998 - Issue 42: Through September 30, 1998  
January 15, 1999 - Issue 3: Through December 31, 1998 (Annual)



## INTRODUCTION

The *Illinois Register* is the official state document for publishing public notice of rulemaking activity initiated by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category. The Register also contains a Cumulative Index listing alphabetically by agency the Parts (sets of rules) on which rulemaking activity has occurred in the current Register volume year and a Sections Affected Index listing by Title each Section (including supplementary material) of a Part on which rulemaking activity has occurred in the current volume year. Both indices are action coded and are designed to aid the public in monitoring rules.

Rulemaking activity consists of proposed or adopted new rules; amendments to or repealers of existing rules; and rules promulgated by emergency or peremptory action. Executive Orders and Proclamations issued by the Governor; notices of public information required by State statute; and activities (meeting agendas, Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State agencies; is also published in the Register.

The Register is a weekly update to the *Illinois Administrative Code* (a compilation of the rules adopted by State agencies). The most recent edition of the Code along with the Register comprise the most current accounting of State agencies' rules.

The Illinois Register is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act [5 ILCS 100/1-1 et seq.].

## REGISTER PUBLICATION SCHEDULE 1998

Material Rec'd before Noon on:	Will be in Issue #:	Published on:	Material Rec'd before Noon on:	Will be in Issue #:	Published on:
Dec. 23, 1997	1	Jan. 2, 1998	June 30, 1998	28	July 10, 1998
Dec. 31, 1997	2	Jan. 9, 1998	July 7, 1998	29	July 17, 1998
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June 16, 1998	26	June 26, 1998	Dec. 22, 1998	1	Jan. 4, 1999*
June 23, 1998	27	July 6, 1998*	Dec. 29, 1998	2	Jan. 8, 1999

Please note: When the Register deadline falls on a State holiday, the deadline becomes 4:30 p.m. on Monday (the day before).

\* Monday



## DEPARTMENT OF AGRICULTURE

## NOTICE OF PROPOSED RULES

1) Heading of the Part: Land Application Authorization Program

2) Code Citation: 8 Ill. Adm. Code 258

3) Section Numbers: Proposed Action:

258.10	New Section
258.20	New Section
258.30	New Section
258.40	New Section
258.50	New Section
258.60	New Section
258.70	New Section
258.80	New Section
258.APPENDIX A	New Section
258.APPENDIX B	New Section

4) Statutory Authority: Section 19 of the Illinois Pesticide Act [415 ILCS 60/19]

5) A. Complete Description of the Subjects and Issues Involved: Retail agricultural facilities conducting remediation activities relative to past soil or groundwater contamination from pesticide and/or fertilizer releases may opt to request a written authorization from the Department of Agriculture for the land application of the contaminated soil or groundwater at agronomic rates onto farmland. The owner or operator of the facility is required to determine the contamination levels present in the soil or groundwater and submit an application to the Department which details the location of the proposed application, the transportation route, the contamination levels present and the proposed application rate. If approved by the Department, the owner or applicator conducts the operation and submits a closure report to the Department for review and approval. The closure report is to include post-application sampling of the land application area to ensure that no adverse impact has been made to the area as a result of the activity.

6) Will this proposed rule replace an emergency rule in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? Yes

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking does not affect units of local governments.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: A 45-day written comment period will begin on the

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day the notice of rulemaking appears in the *Illinois Register*. In addition to the written comment period, a public hearing on the proposed rules will be held on Thursday, August 6, 1998 at 1:30 p.m., Department of Agriculture Building, 8th and Sangamon, State Fairgrounds, Room 66, Springfield, Illinois. Please mail written comments on the proposed rulemaking to the attention of:

Debbie Wakefield  
Department of Agriculture  
State Fairgrounds, P.O. Box 19281  
Springfield, IL 62794-9281  
217/785-5713  
Facsimile: 217/785-4505

In order for mailed comments to be available for consideration at the public hearing, please mail no later than July 31, 1998.

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities, and not-for-profit corporations affected: Retail agricultural facilities conducting remediation activities relative to past soil or groundwater contamination from pesticide and/or fertilizer releases could be affected if they would opt to utilize land application as part of the remediation activity.

B) Reporting, bookkeeping or other procedures required for compliance: A pre-activity application submitted to the Department for review and approval is required. A closure report submitted to the Department for review and approval is also required.

C) Types of professional skills necessary for compliance: A registered professional engineer and/or geologist may be utilized for compliance but is not specifically required.

13) Regulatory agenda on which this rulemaking was summarized: July 1997

The full text of the Proposed Rules begins on the next page:

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Illinois Pesticide Act [415 ILCS 60/4 and 19]. The following definitions shall also apply to this Part:

- "Agrichemical" means pesticides or commercial fertilizers at an agrichemical facility.
- "Applicant" means an owner, operator or designated officer of an agrichemical facility that is required to obtain a Written Authorization for Land Application.
- "Application Area" means the farmland or field access lane upon which contaminated media is or will be applied at or below agronomic rates.
- "Authorization" means a Written Authorization for Land Application.
- "Contaminated Media" means agrichemical contaminated soil, mixture of soil and gravel, or groundwater.
- "Department" means the Illinois Department of Agriculture.

"Detection" means the identification of a contaminant in a sample at a value equal to or greater than the:

Method Detection Limit or MDL, which means the minimum concentration of a substance that can be measured as reported with 99% confidence that the true value is greater than zero pursuant to 40 CFR 136, Appendix B (July 1997);

Method Quantitation Limit or MQL, which means the minimum concentration of a substance that can be measured and reported pursuant to "Test Methods for Evaluating Solid Wastes, Physical/Chemical Methods".

"Farmland" means lands utilized for agricultural purposes, including both areas used for the production of agricultural commodities and areas used for field access lanes.

"Field Access Lane" means a private road utilized for admittance by vehicles of husbandry to lands utilized for the production of agricultural commodities, but does not include private roads that provide primary access to a structure being used for human habitation.

"Groundwater" means groundwater as defined in the Illinois Groundwater Protection Act [415 ILCS 55/3].

"Label" means the written, printed or graphic matter on or attached to the pesticide or device or any of its containers or wrappings.

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TITLE 8: AGRICULTURE AND ANIMALS  
CHAPTER 1: DEPARTMENT OF AGRICULTURE  
SUBCHAPTER 1: PESTICIDE CONTROL

PART 258  
LAND APPLICATION AUTHORIZATION PROGRAM

Section	
258.10	Applicability
258.20	Severability
258.30	Definitions
258.40	Incorporation by Reference
258.50	Written Authorization for Land Application
258.60	Operational Control Practices, Limitations and Restrictions
258.70	Closure Reporting
258.80	Contaminated Media and Land Application Area Sampling and Analysis
APPENDIX A	Land Application Area Sampling
APPENDIX B	Analyte List

AUTHORITY: Authorized by Section 19 of the Illinois Pesticide Act [415 ILCS 60/19].

SOURCE: Adopted at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

Section 258.10 Applicability

- a) This Part shall apply to the owner or operator of an agrichemical facility requesting Department issuance of a written authorization for the land application of:
  - 1) agrichemical-contaminated soils at agronomic rates pursuant to 415 ILCS 60/19(9); or
  - 2) groundwater contaminated by the on-site release of an agrichemical, provided the groundwater is not also contaminated due to the release of a petroleum product or hazardous substance other than an agrichemical pursuant to 415 ILCS 60/19(9).
- b) This Part shall not apply to the land application of contaminated media to any land other than farmland.

Section 258.20 Severability

If any Section, subsection, sentence or clause of this Part is judged invalid, such adjudication shall not affect the validity of this Part as a whole or any Section, subsection, sentence or clause thereof not judged invalid.

Section 258.30 Definitions

Definitions for this Part can be located in Section 4 and Section 19 of the

## DEPARTMENT OF AGRICULTURE

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"Modification" means changes in the contaminated media concentration, its volume, the agrichemicals present, the application rate, the location or size of the application area, or sample collection and associated analysis protocol.

"Regulated Recharge Area" means a compact geographic area, as determined by the Pollution Control Board pursuant to Section 17.4 of the Environmental Protection Act [415 ILCS 5/17.4], the geology of which renders a potable resource groundwater particularly susceptible to contamination [415 ILCS 5/3.67].

"Setback Zone" means a geographic area, designated pursuant to the Environmental Protection Act, containing a potable water supply well or a potential source or potential route having a continuous boundary, and within which certain prohibitions or regulations are applicable in order to protect groundwaters [415 ILCS 5/3.61].

"Sinkhole" means any natural depression formed as a result of subsurface removal of soil or rock materials causing the formation of a collapse feature that exhibits internal drainage. The existence of a sinkhole shall be indicated by the uppermost closed depression contour lines on the USGS 7 1/2 minute quadrangle topographic maps or as determined by field investigations.

"Stockpile" means the storage, temporary storage, or containment of agrichemical contaminated media in such a manner as not to constitute final disposal or land application.

"Written Authorization for Land Application" means a written statement issued by the Department granting approval for the land application of contaminated media onto farmland in accordance with the provisions of this Part.

#### Section 258.40 Incorporation by Reference

The Department incorporates the following material by reference:

ASTM - American Society for Testing Materials, 1916 Race Street, Philadelphia PA 19103, (215) 299-5400.

"Preserving and Transporting Soil Samples", ASTM Standard D4220-95.

"Sampling Chain-of-Custody Procedures", ASTM 4840-95.

NTIS - National Technical Information Service, 5285 Port Royal Road, Springfield VA 22161, (703) 487-4600.

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"Methods for Chemical Analysis of Water and Wastes", USEPA Publication No. EPA-600/4-79-020 (March 1983), Doc. No. PB 84-128677.

"Methods for the Determination of Organic Compounds in Drinking Water", USEPA, EMSL, EPA-600/4-88-039 (July 1991), Doc. No. PB 9-231480.

"Test Methods for Evaluating Solid Wastes, Physical/Chemical Methods", USEPA Publication No. SW 846 (Final Update, 1992), Doc. No. 94-170313.

These incorporations by reference do not include any amendments or editions beyond the dates specified.

#### Section 258.50 Written Authorization for Land Application

- a) An Authorization issued by the Department pursuant to this Part shall be obtained by an applicant prior to the commencement of any stockpiling or land application of contaminated media at a proposed application area. In the case of the ownership transfer of an agrichemical facility, an Authorization may be transferred to the new owner or operator of the agrichemical facility upon written notification by the applicant to the Department.
- b) An application for an Authorization shall be submitted on forms provided by the Department. Information submitted in an application shall include the following:

- 1) The facility name, address and telephone number, and the applicant's signature;
- 2) The land application area owner's name, address, telephone number and signature;
- 3) The name of the person(s) responsible for the project design and management and his/her address, telephone number, and signature;
- 4) Topographic and plat maps of the proposed land application area;
- 5) A location area map of the proposed land application area;
- 6) A soil survey map of the proposed land application area;
- 7) A map of the proposed transportation route from the agrichemical facility to the proposed land application area;
- 8) A listing of the contaminated media analyte concentrations, a description of the methods utilized to determine the contaminated media analyte concentrations, and the volume of contaminated media proposed to be land applied;
- 9) A description of the agricultural crop to be grown on the land application area and date of the proposed land application;
- 10) A proposed contaminated media application method or procedure, application rate, supporting data and calculations including the label rates associated with each pesticide present and the identification of the limiting pesticide on which the



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h) Authorizations shall be amended and approved by the Department prior to modification and implementation of the Authorization.

**Section 258.60 Operational Control Practices, Limitations and Restrictions**

- a) No applicant shall land apply contaminated media within any Illinois Groundwater Protection Act (IGPA) [415 ILCS 55/14] defined wellhead setback zone.
- b) No applicant shall land apply contaminated media within 200 feet of any surface water.
- c) No applicant shall land apply contaminated media within 20 feet of a farmland edge unless the application is to a field access lane and is performed consistent with subsection (o) of this Section.
- d) No applicant shall land apply contaminated media within any flood plain with a return frequency of 10 years or less.
- e) No applicant shall land apply contaminated media within 200 feet of a drainage tubing surface inlet.
- f) No applicant shall land apply contaminated media within 200 feet of a sinkhole.
- g) No applicant shall land apply contaminated media within 200 feet of a structure being used for human habitation at the time of the proposed application. In addition, no applicant shall land apply contaminated media within 200 feet of a structure being used as a common place of assembly such as a church, school or business.
- h) No applicant shall land apply contaminated media onto frozen farmland.
- i) No applicant shall land apply contaminated media onto a portion of farmland that has a slope in excess of five percent.
- j) Application rates and pesticide labeled uses. No applicant shall land apply contaminated media inconsistent with pesticide label rates or generally accepted agronomic fertilizer application rates.
  - 1) In the event that a pesticide that is not labeled for use with the specific crop to be grown on a land application area and is present in contaminated media with other pesticides that are labeled for use with the proposed crop, consideration shall be given to any potential phytotoxic effects that could arise from the proposed land application to the crop to be grown when developing a proposed application rate. In such instances, the application rate of the non-labeled pesticide shall not exceed 10 percent of its most limited label rate for use on other agricultural crops.
  - 2) In the event that more than one pesticide from a family of pesticides is present in the contaminated media or when additive effects of the pesticides may be possible, consideration shall be given to possible phytotoxic effects resulting from a contaminated media application rate based only on the single highest concentration present, and the proposed application rate shall be reduced below such potential phytotoxic application rates.

contaminated media application rate is to be based, each of which shall be consistent with the requirements found at Section 258.60(j) of this Part;

- 11) A description of the proposed method to be utilized for the calibration of the application device to ensure consistent distribution of contaminated media to the land application area; and
- 12) The legal description of the land application area or areas and the acreage available at each site.
- c) Applications for an Authorization shall be accompanied by a letter of agreement from the owner of the application area indicating he or she understands the nature of the project and has agreed to participate.
- d) In the case of contaminated media applied to field access lanes, applications for an Authorization shall include a statement of commitment by the applicant to collect and analyze soil samples from the land application area prior to the application of contaminated media, one year after the application of contaminated media, and any subsequent sampling and analysis required pursuant to Section 258.70 of this Part. Such samples shall be analyzed for the presence and concentration of all analytes detected in the samples of contaminated media collected at the agricultural facility that have been established for the basis for the proposed application rate. Results of pre-application sampling shall be submitted to the Department within 30 days after receipt and shall also be submitted as part of the Closure Report as described in Section 258.70 of this Part. Analytical results of the soil sampling conducted one year after the application of contaminated media and any other subsequent sampling required pursuant to Section 258.70 of this Part shall be submitted to the Department as part of the Closure Report(s).
- e) Applications for an Authorization shall include a description of the methods to be used to determine and document the actual amount of contaminated media applied to the land application area expressed in tons/acre or gallons/acre, as appropriate. Such methods shall result in documentation that will be submitted to the Department as part of the Closure Report pursuant to Section 258.70 of this Part.
- f) Upon receipt of an Application, the Department shall review the application for completeness and technical feasibility.
  - 1) If the submittal is deemed complete and in compliance with the provisions of this Part, the Department shall issue an Authorization to the applicant within 90 days after receipt.
  - 2) If the submittal is deemed incomplete or not in compliance with the provisions of this Part, the Department shall notify the applicant in writing within 30 days after receipt and identify the deficiencies.
- g) The Department shall have the authority to revoke any Authorization that has not been implemented within two years after the date of issuance. Such Authorization(s) may be renewed or denied by the Department upon request by an applicant.

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- 3) In the event that more than one pesticide is present in the contaminated media, consideration shall be given to commercially available blends that contain those pesticides and the labeled rate of application associated with those commercially available blends. In such cases, the application rate of the contaminated media shall be based on the labeled application rate of the commercially available blend.
- 4) In the event that fertilizer is present in the contaminated media, the land application rate shall be based upon the most limiting of either the nutrient application rate or the pesticide label rate, whichever is most restrictive. Nutrient application rates shall be based upon accepted agronomic rates of nutrient application for the crop or commodity to be grown such as those recommendations contained in the Illinois Agronomy Handbook, published by the University of Illinois at Urbana-Champaign.
- k) No applicant shall stockpile agricultural contaminated groundwater at the application area.
- l) Stockpiling of agricultural contaminated soil, gravel or mixture of soil and gravel at the application area shall be:
- 1) conducted in accordance with the requirements of subsections (a) through (i) of this Section; and
  - 2) located in such a manner that agricultural migration due to surface water into setbacks established under subsections (a) through (g) of this Section and potential agricultural migration to surface water and groundwater is prevented.
- m) In addition to the other provisions of this Part, applications of contaminated media onto farmland currently enrolled in the Conservation Reserve Program shall only be allowed when the application submittal includes a written acknowledgment from a representative of the United States Department of Agriculture - Natural Resource Conservation Service of the county where the proposed land application area is located that indicates that the proposed activity will not adversely affect the program status of the land application area.
- n) No applicant shall stockpile contaminated media at the application area for more than 30 calendar days without prior approval of the Department.
- o) No applicant shall land apply contaminated media to a field access lane unless:
- 1) the owner of the field access lane and contiguous properties of the field access lane are the same; or
  - 2) the owner or owners of the field access lane and the owners of property contiguous with the field access lane provide letters of agreement to the Department indicating approval of the land application of contaminated media to the field access lane.
- p) No applicant shall land apply contaminated media within 200 feet of any Class III: Special Resource Groundwater as defined by 35 Ill. Adm. Code 620.230.

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## Section 258.70 Closure Reporting

- a) A Closure Report shall be submitted to the Department within 60 days after receipt of analytical results associated with closure sampling required under subsection (b)(2) of this Section for the land application of contaminated media authorized by the Department pursuant to Section 258.50 of this Part.
- b) The Closure Report shall include the following information:
- 1) Analytical results from the pre-application soil sampling of the land application area;
  - 2) Analytical results from the soil sampling of the land application area:
    - A) conducted no later than two years after the application of contaminated media; or
    - B) in the case of field access lanes, conducted no later than one year after the application of contaminated media;
  - 3) Documentation of the actual amounts of contaminated media that was land applied during the project and calculations indicating that the application rates were equal to or less than those authorized by the Department;
  - 4) Documentation of all agricultural applications that were made to the land application area in addition to those agriculturals present in the contaminated media; and
  - 5) The results of the project including the changes in land application area agricultural concentrations based on the pre-spreading land application area sampling, the projected amounts of agriculturals applied via the contaminated media, the amounts of agriculturals applied via normal crop production, and the post-spreading or closure land application area sampling.
- c) Upon receipt of a Closure Report, the Department shall review the submittal and evaluate whether the report indicates that detected agricultural levels in the soil at the proposed time of closure have been elevated above the pre-application levels or have returned to the pre-application values.
- 1) If the submittal indicates that the land application area has returned to pre-application conditions, the Department shall issue a Notice of Closure within 45 days after receipt. The Notice of Closure shall indicate the applicant has land applied contaminated media to the application area in accordance with the Authorization and all requirements of this Part. An applicant that has been issued a Notice of Closure shall no longer be subject to the requirements of this Part.
  - 2) If the submittal indicates that the land application area has not returned to the pre-application condition, the Department shall, within 45 days from the date of receipt of the Closure Report, notify the applicant in writing as to why a Notice of Closure was not issued. The Department may require additional soil and/or groundwater sampling, analysis and result reporting in the form

## DEPARTMENT OF AGRICULTURE

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of a Supplemental Closure Report if a Notice of Closure is not issued. The Department may also prescribe remedial measures to be conducted by the applicant to mitigate any identified adverse effects of the land application of contaminated media. The applicant shall conduct the prescribed activities and shall prepare and submit a Closure Report detailing the results of the additional sampling and other measures as prescribed by the Department for review pursuant to this subsection (c).

### Section 258.80 Contaminated Media and Land Application Area Sampling and Analysis

- a) Contaminated media at the agrichemical facility shall be sampled and analyzed for the analytes included in Appendix B of this Part unless modified by the Department.
- b) In addition to the analytes required pursuant to subsection (a) of this Section, applicants shall analyze contaminated media samples for the presence and concentration of any other agrichemicals suspected of being present in the contaminated media due to past agrichemical storage, handling and operational practices utilized at the facility.
- c) Soil samples collected from the land application area shall be analyzed for all analytes detected in the samples collected from the contaminated media at the agrichemical facility unless modified by the Department. Consideration shall also be given to inclusion on the analyte list of compounds utilized at the land application area during the past two growing seasons that are chemically similar to those detected in the samples collected from the agrichemical facility.
- d) Sampling and analysis of contaminated media and the land application area shall be performed to provide results representative of the subject being monitored and shall be consistent with the sampling and analytical methods specified in Section 258.40 of this Part.
- e) The applicant shall follow sample preservation, shipment, quality control and chain-of-custody procedures to prevent tampering and contamination, and provide for reliability of sample analysis as specified in Section 258.40 of this Part.
- f) Sampling of the land application area shall be conducted in accordance with Appendix A of this Part.
- g) Sampling and analytical methods shall allow for detection and quantification of contaminants as required in accordance with the provisions of this Part.

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### Section 258.APPENDIX A Land Application Area Sampling

The number of composite samples collected from the land application area will depend on the size of the land application area. For areas up to 20 acres in size, the land application area shall be divided into quadrants and a composite sample will be collected from each quadrant, providing four samples. Land application areas larger than 20 acres will be divided into five-acre square grids approximately 467 feet long on each side. Four composite samples will be collected from randomly selected five-acre squares in land application areas up to 80 acres in size, representing no less than 25 percent of the five-acre grids. Land application areas larger than 80 acres will have 25 percent of the five-acre squares randomly sampled. The five-acre squares will be sampled by dividing the square into quadrants and a grab sample will be collected from the four quadrants. The number of composite samples for each land application area shall be determined by multiplying the number of five-acre squares by 25 percent and rounding to the nearest whole number.

TABLE 1: SAMPLE NUMBER DETERMINATION

LAND APPLICATION AREA (ACRES)	NUMBER OF FIVE ACRE SQUARES	NUMBER OF SAMPLES
5	N/A	1
10	N/A	2
15	N/A	3
20	N/A	4
40	8	4
60	12	4
80	16	4
100	20	5
120	24	6
140	28	7
160	32	8
A	N=A/5	S=N/4

The sample locations shall be determined by assigning consecutive numbers to each five-acre square. A five-acre square can only be counted if 50 percent or more of the land application area makes up its area. A series of random numbers shall be generated using a computer spreadsheet program. The numbered five-acre squares that correspond to the random numbers shall be sampled until the required number of samples is obtained.

This sampling plan is designed to statistically represent agrichemical concentrations in the land application areas by sampling no less than 20 percent of the five-acre squares in a field larger than 80 acres.

The laboratory results shall be evaluated to determine the mean concentration and standard deviation of the sample. The value of the concentration reported



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as present but below detection limit will be used in the calculations. A value of zero will be used for results that are reported as non-detectable. The laboratory results, mean concentration, and standard deviation will be included in the closure report submitted to the Department.

All field application area samples shall be collected from the soil profile, starting at the soil surface and extending to a depth no greater than six inches.

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## Section 258.APPENDIX B Analyte List

acetochlor  
alachlor  
atrazine  
butylate  
chlorpyrifos  
cyanazine  
carbofuran  
2,4-D  
metolachlor  
metribuzin  
pendimethalin  
simazine  
terbufos  
trifluralin

Nitrate as N

Total mineral nitrogen

Phosphorous (Bray P1 and Bray P2 tests)

- 13) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not anticipated when the recent regulatory agenda was published in the *Illinois Register*.

The full text of the Proposed Amendment begins on the next page:

## DEPARTMENT OF CHILDREN AND FAMILY SERVICES

## NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Grants-In-Aid
- 2) Code of Citation: 89 Ill. Adm. Code 360
- 3) Section Numbers: Proposed Action:  
360.3 Amendment
- 4) Statutory Authority: The Children and Family Services Act [20 ILCS 505].
- 5) A Complete Description of the Subjects and Issues Involved: This rulemaking describes requirements and application procedures for the Department's Grants-In-Aid program. This clarifies that Department grants for the support of Children's Advocacy Centers can be provided after the first full fiscal year of operation only when supplemented by funding from community sources.
- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: This rulemaking does not create a State mandate.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Comments on this proposed rulemaking may be submitted in writing for a period of 45 days following publication of this notice. Comments should be submitted to:

Mr. Jerry B. Crabtree  
Office of Rules and Procedures  
Department of Children and Family Services  
406 E. Monroe, Station #65  
Springfield, Illinois 62703-1498  
Telephone: (217) 524-1983  
TDD: (217) 524-3715  
E-Mail: ORPINFO@pop.state.il.us

The Department will consider fully all written comments on this proposed rulemaking submitted during the 45-day comment period. Comments submitted by small businesses should be identified as such.

- 12) Initial Regulatory Flexibility Analysis: The Department has determined that this amendment will not effect small business.

TITLE 89: SOCIAL SERVICES  
CHAPTER III: DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
SUBCHAPTER C: FISCAL ADMINISTRATION

PART 360  
GRANTS-IN-AID

## Section

- 360.1 Purpose
- 360.2 Definitions
- 360.3 General Characteristics of Grants in-Aid
- 360.4 Applications for Grants
- 360.5 Grants-in-Aid for Day Care (Repealed)
- 360.6 Grants-in-Aid for Child Abuse and Neglect Research, Demonstration and Development
- 360.7 Continuation of Grants-in-Aid (Repealed)
- 360.8 Monitoring and Required Reports (Repealed)

**AUTHORITY:** Implementing and authorized by the Children and Family Services Act [20 ILCS 505] and the Child Care Act of 1969 [225 ILCS 10].

**SOURCE:** Adopted and codified at 5 Ill. Reg. 7807, effective August 3, 1981; amended at 8 Ill. Reg. 17263, effective October 1, 1984; amended at 9 Ill. Reg. 7928, effective May 15, 1985; amended at 21 Ill. Reg. 15486, effective December 15, 1997; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

### Section 360.3 General Characteristics of Grants in-Aid

- a) Grants-in-aid are used for the following general purposes:
  - 1) To provide initial start-up funding for programs in their developmental stages.
  - 2) Demonstration or pilot projects.
  - 3) Research or other non-direct service projects.
  - 4) To promote local community-based programs in the areas that lack needed services.
  - 5) To promote programs of value to child welfare and youth service in general, even though the Department does not make direct use of them for its own clients.
- b) Grants are generally paid in advance or on a monthly or quarterly basis, as opposed to purchase of service contracts (see 89 Ill. Adm. Code 357: Purchase of Service) which are paid based on units of service after the service has been provided. However, grants may also be based on provision of a minimum level of units of service or a deliverable product.
- c) Other sources of support from the Department or the community should supplement grant support as the project moves from the development or demonstration phase to becoming an ongoing program. Projects which are not eligible for financing from other Department funding sources may be considered for grant funding continuation provided the project's goals and objectives are being met, there is a continuing need for the project, no other funding sources are available and

continued grant funds from the Department are available. Department grants for the support of Children's Advocacy Centers can be provided after the first full year of operation only when supplemented by funding from community services.

- d) All grantees receiving a grant of more than \$50,000 from the Department shall provide the Department with an independent, certified audit within 180 days after the close of the grantee's fiscal year. Additionally, all grantees shall provide the Department with reports as stipulated in the grant contract and keep fiscal and programmatic records which document the ways in which grant monies were spent and services were rendered. Such required record keeping includes, but is not limited to:

1) establishment of financial record keeping which includes:

- A) Cash Receipts Journal
- B) Cash Disbursements Journal
- C) General Journal
- D) General Ledger
- E) all cash disbursements and/or expenses must be fully supported by documentation; such as, invoices, time sheets, time studies, or approved cost allocation plans.

2) establishment of programmatic compliance record keeping which include:

- A) individual client files on each client applying for and receiving service.
- B) schedule of service provided to each client which includes the date and time service was provided, and the agency's employee providing service.

- e) Disallowable costs for which grant monies may not be used are the same as the disallowable costs set forth in Rate Setting, 89 Ill. Adm. Code 356.60.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)



ILLINOIS COMMERCE COMMISSION  
NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Electric Reliability
- 2) Code Citation: 83 Ill. Adm. Code 411
- 3) 

<u>Section Numbers:</u>	<u>Proposed Action:</u>
411.10	New Section
411.20	New Section
411.30	New Section
411.40	New Section
411.50	New Section
411.100	New Section
411.110	New Section
411.120	New Section
411.130	New Section
411.140	New Section
411.150	New Section
411.160	New Section
411.170	New Section
411.180	New Section
411.190	New Section
411.200	New Section
411.210	New Section
411.220	New Section
411.230	New Section
411. Table A	New Section

- 4) Statutory Authority: Implementing Sections 8-401 and 16-125 and authorized by Sections 10-101 and 16-125 of the Public Utilities Act [220 ILCS 5/8-401, 10-101, and 16-125].

- 5) A Complete Description of the Subjects and Issues Involved: These rules implement the requirements of Section 16-125 of the Public Utilities Act. They will provide comprehensive information for the Commission to assess and assure reliability, promote customer choice, and respect sound engineering principles. The new customer reliability targets also will assure that jurisdictional entities (traditional public utilities and alternative retail electric suppliers) focus on individual customers as well as the larger transmission and distribution system when planning for reliability improvements.

These rules provide information and opportunity for the Commission to assess and assure reliability. The system-wide indices reported by the jurisdictional entities under the rules are sufficient to identify system-wide trends in reliability.

- 6) Will these proposed rules replace emergency rules currently in effect?  
Yes

ILLINOIS COMMERCE COMMISSION  
NOTICE OF PROPOSED RULES

- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed rules contain incorporations by reference? No
- 9) Are there any other proposed rules pending on this Part? No
- 10) Statement of Statewide Policy Objectives: These proposed rules neither create nor expand any State mandate on units of local government, school districts, or community college districts.
- 11) Time, Place and Manner in which interested persons may comment on this Proposed rulemaking: Comments should be filed with:  
  
Donna M. Caton  
Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Avenue  
P.O. Box 19280  
Springfield IL 62794-9280
- Comments should be filed with the Chief Clerk within 45 days after the date of this issue of the *Illinois Register*.

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: These rules will affect municipalities to the extent that they own or operate electric utilities and those suppliers of electricity that are also small businesses as defined in the Illinois Administrative Procedure Act.

- B) Reporting, bookkeeping or other procedures required for compliance: Record keeping and reporting requirements.

- C) Types of professional skills necessary for compliance: Engineering and managerial skills.

- 13) Regulatory Agenda on which this rulemaking was summarized: The rules were not included in either of the two most recent Regulatory Agendas because: The Commission did not foresee the need for this rulemaking.

The full text of the Proposed Rules is identical to the text of Emergency Rules that appears in this issue of the *Illinois Register* on page 10947.

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF PROPOSED RULES

- 1) Heading of the Part: Non-Discrimination in Affiliate Transactions for Electric Utilities

- 2) Code Citation: 83 Ill. Adm. Code 450

- 3) Section Numbers: Proposed Action:

450.10 New Section  
 450.20 New Section  
 450.30 New Section  
 450.40 New Section  
 450.50 New Section  
 450.60 New Section  
 450.70 New Section  
 450.80 New Section  
 450.85 New Section  
 450.90 New Section  
 450.100 New Section  
 450.110 New Section  
 450.120 New Section  
 450.130 New Section  
 450.140 New Section  
 450.150 New Section  
 450.160 New Section

- 4) Statutory Authority: Implementing and authorized by Section 16-121 of the Public Utilities Act [220 ILCS 5/16-121].

- 5) A Complete Description of the Subjects and Issues Involved: These rules will help nurture the development of a competitive marketplace for electricity supply by preventing utilities from using unfair and anti-competitive practices to artificially support their own affiliates. In this regard, the rules address the provision of non-tariffed services, tying arrangements, release of capacity, information sharing, independent functioning, advertising, and maintenance of books and records. In addition, the rules reaffirm that utility-provided tariffed services shall be provided on a non-discriminatory basis, and, in so doing, the rules specifically prohibit certain discriminatory behavior and require a log for recording instances where utilities exercise discretion in implementing their tariffs.

- 6) Will these proposed Rules replace emergency Rules currently in effect?  
 Yes

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Do these proposed rules contain incorporations by reference? No

- 9) Are there any other proposed rules pending on this Part? No

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF PROPOSED RULES

- 10) Statement of Statewide Policy Objectives: These proposed rules neither create nor expand any State mandate on units of local government, school districts, or community college districts.

- 11) Time, Place and Manner in which interested persons may comment on this Proposed rulemaking: Comments should be filed with:

Donna M. Caton  
 Chief Clerk  
 Illinois Commerce Commission  
 527 East Capitol Avenue  
 P.O. Box 19280  
 Springfield IL 62794-9280  
 (217)782-7434

Comments should be filed with the Chief Clerk within 45 days after the date of this issue of the *Illinois Register*.

- 12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: These proposed rules will affect any alternative retail electric suppliers or any affiliates of electric utilities that are also small businesses as defined in the Illinois Administrative Procedure Act.

B) Reporting, bookkeeping or other procedures required for compliance: Internal auditing.

C) Types of professional skills necessary for compliance: Accounting and managerial skills.

13) Regulatory Agenda on which this rulemaking was summarized: These rules were not included in either of the two most recent agendas because: the Commission did not foresee the need for these rules.

The full text of the Proposed Rules is identical to the text of the Agency Rules that appears in this issue of the *Illinois Register* on page **11408**

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Standards of Service for Electric Utilities

2) Code Citation: 83 Ill. Adm. Code 410

3) Section Numbers: Proposed Action:

410.410	Repeal
410.420	Repeal
410.430	Repeal
410.440	Repeal
410.450	Repeal
410.460	Repeal
410.470	Repeal
410.480	Repeal
410.490	Repeal
410.TABLE A	Repeal

4) Statutory Authority: Implementing Section 8-301 and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/8-301 and 10-101].

5) A Complete Description of the Subjects and Issues Involved: Part 410 was amended in 1995 to include the Commission's requirements for electric utility service reliability. With the addition of Article XVI, the Electric Service Customer Choice and Rate Relief Law of 1997, to the Public Utilities Act, the scope of the Commission's jurisdiction over the provision of electric service has been radically altered. The Commission has adopted, on an emergency basis, 83 Ill. Adm. Code 411, Electric Reliability, to comply with the dictates of Section 16-125 on electric reliability. The repeal of Subpart C is appropriate to avoid duplication of rules.

6) Will these proposed amendments replace emergency amendments currently in effect? Yes

7) Does this rulemaking contain an automatic repeal date? No

8) Do these proposed amendments contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: These proposed amendments neither create nor expand any State mandate on units of local government, school districts, or community college districts.

11) Time, Place and Manner in which interested persons may comment on this Proposed rulemaking: Comments should be filed with:

Donna M. Caton  
Chief Clerk

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF PROPOSED AMENDMENTS

Illinois Commerce Commission  
527 East Capitol Avenue  
P.O. Box 19280  
Springfield IL 62794-9280

Comments should be filed with the Chief Clerk within 45 days after the date of this issue of the *Illinois Register*.

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: These amendments will not affect any small businesses as defined in the Illinois Administrative Procedure Act.

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: These amendments were not included in either of the two most recent agendas because: The Commission did not foresee the need for this rulemaking.

The full text of the Proposed Amendments is identical to the text of Emergency Amendments which appears in this issue of the Register on pages 10949 & 10950.



ILLINOIS COMMERCE COMMISSION  
NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Tariff Filings
- 2) Code Citation: 83 Ill. Adm. Code 745
- 3)
 

<u>Section Numbers:</u>	<u>Proposed Action:</u>
745.10	Amendment
745.15	Amendment
745.40	New Section
745.200	Amendment
745.210	Repeal
745.220	Repeal
745.221	Amendment
745.225	Repeal
745.Exhibit A	Repeal
745.Exhibit B	Amendment
- 4) Statutory Authority: Implementing Sections 13-501, 13-502, and 13-504 and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/13-501, 13-502, 13-504, and 10-101].
- 5) A Complete Description of the Subjects and Issues Involved: On July 23, 1997, the Governor signed into law P.A. 90-185 that, among other things, added Section 13-512 to the Illinois Public Utilities Act (PUA). Section 13-512 requires the Commission to review all rules issued under Article XIII of the PUA that apply to the operations or activities of any telecommunications carrier no later than 270 days after the effective date, and every two years thereafter. In addition, Section 13-512 requires the Commission to repeal or modify any rule it deems to be no longer in the public interest as a result of the reasonable availability of competitive telecommunications services.  
  
These proposed amendments will update citations to reference the PUA as modified by P.A. 90-185; add language to eliminate any confusion regarding the proper classification of services; add language to allow carriers to make changes in tariffs to correct minor errors; delete references to repealed provisions of the PUA; and add language to specify notice requirements for increasing the rates of competitive services.
- 6) Will these proposed amendments replace emergency amendments currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Do these proposed amendments contain incorporations by reference? No
- 9) Are there any other proposed amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: These proposed rules neither

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create nor expand any State mandate on units of local government, school districts, or community college districts.

- 11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Comments should be filed with:

Donna M. Caton  
Chief Clerk  
Illinois Commerce Commission  
527 East Capitol Avenue  
P.O. Box 19280  
Springfield IL 62794-9280

Comments should be filed with the Chief Clerk within 45 days after the date of this issue of the *Illinois Register*.

- 12) Initial Regulatory Flexibility Analysis:
  - A) Types of small businesses, small municipalities and not for profit corporations affected: These proposed amendments will affect those telecommunications carriers that are also small businesses as defined in the Illinois Administrative Procedure Act.
  - B) Reporting, bookkeeping or other procedures required for compliance: Filing procedures.
  - C) Types of professional skills necessary for compliance: Managerial skills.

- 13) Regulatory Agenda on which this rulemaking was summarized: These amendments were not included in either of the two most recent agendas because the Commission did not foresee the need for this rulemaking.

The full text of the Proposed Amendments begins on the next page:

ILLINOIS COMMERCE COMMISSION  
NOTICE OF PROPOSED AMENDMENTS  
TITLE 83: PUBLIC UTILITIES  
CHAPTER I: ILLINOIS COMMERCE COMMISSION  
SUBCHAPTER f: TELEPHONE UTILITIES

PART 745  
TARIFF FILINGS

SUBPART A: GENERAL PROVISIONS

Section  
745.10  
745.15  
745.20  
745.30  
745.40

Applicability  
Definitions Definition  
General Filing Requirements  
Classification of Tariffs  
Temporary Corrections

SUBPART B: NONCOMPETITIVE TARIFFS

Section  
745.100  
745.110

Filing Requirements for Noncompetitive Tariffs  
Simplified Noncompetitive Tariff Filings under Section 13-504

SUBPART C: COMPETITIVE TARIFFS

Section  
745.200  
745.210

Filing Requirements for Competitive Tariffs Generally  
Additional Provisions Concerning Tariffs Filed Under Section 13-502(e) (Repealed)  
Post-filing Proceedings Under Section 13-502(e) (Repealed)  
Rate Changes for Competitive Services  
Interim Orders (Repealed)

SUBPART D: RECLASSIFICATION OF SERVICES

Section  
745.300

Reclassification

EXHIBIT A

Notice of Competitive Tariff Filing Under Section 13-502(e) (Repealed)

EXHIBIT B

Notice of Simplified Noncompetitive Tariff Filing Under Section 13-504

AUTHORITY: Implementing Sections 13-501, 13-502 and 13-504 and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/13-501, 13-502, 13-504 and 10-101].

SOURCE: Emergency rules adopted at 10 Ill. Reg. 765, effective January 1, 1986, for a maximum of 150 days; adopted at 10 Ill. Reg. 10515, effective May

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30, 1986; amended at 11 Ill. Reg. 8988, effective May 1, 1987; amended at 17 Ill. Reg. 10258, effective July 1, 1993; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

SUBPART A: GENERAL PROVISIONS

Section 745.10 Applicability

This Part applies to all telecommunications carriers subject to regulation by the Illinois Commerce Commission ("Commission") under the provisions of Article XIII of the Public Utilities Act (~~111-Rev-Stat--1991--ch--111-2/37~~ ~~para--13-101--through--13-901--(see-P-Ar-87-8567-effective-May-14-1992)~~ [220 ILCS 5/Art. XIII 13]).

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.)

Section 745.15 Definitions Definition

"Act" means the Public Utilities Act (~~111-Rev-Stat--1991--ch--111-2/37-para--1-101-et-seq--as-amended-by-P-Ar-87-8567-effective--May-14-1992~~) [220 ILCS 5]

"Competitive telecommunications service" means the same as the definition in Section 13-209 of the Act [220 ILCS 5/13-209].

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.)

Section 745.40 Temporary Corrections

a) If, upon the presentation of tariffs for filing, an error is discovered either by the filing telecommunications carrier or the Staff of the Commission, the filing carrier may either temporarily correct or authorize Commission Staff to correct the following types of errors:

- 1) incorrect sheet revision numbers;
- 2) incorrect issue and/or effective dates; or
- 3) coding errors.

b) These temporary corrections shall necessitate the filing carrier to submit corrected pages either by hand or by overnight mail delivery.

(Source: Added at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.)

SUBPART C: COMPETITIVE TARIFFS

Section 745.200 Filing Requirements for Competitive Tariffs Generally

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF PROPOSED AMENDMENTS

a) In addition to the requirements imposed by Subpart A of this Part, telecommunications carriers shall, with respect to tariffs filed pursuant to Section 13-502 of the Act under which competitive telecommunications services are to be offered or provided, comply with the requirements imposed on public utilities by 83 Ill. Adm. Code 255.30 (except subsections (i) and (j)) and 7 with the remainder of this Section 7 and with Sections 745-210 when the filing is made under Section 13-502(e) of the Act.

b) All tariffs classifying a service as competitive shall clearly state that whether they are being filed pursuant to Section 13-502(b) or Section 13-502(e) of the Act.

c) All such tariffs shall be accompanied by a verified statement (see 83 Ill. Adm. Code 200.130) that which:

- 1) specifically alleges that, for some identifiable class or group of customers in an exchange, group of exchanges, or some other clearly defined geographical area, such service, or its functional equivalent, or a substitute service, is reasonably available from more than one provider, whether or not any such provider is a telecommunications carrier subject to regulation under the Act;
- 2) specifically identifies, through the use of descriptions, maps, or equivalent means, the identifiable class or group of customers in an exchange, group of exchanges or other clearly defined geographical area for which the classification is made;
- 3) specifically describes the service, its functional equivalent, or the substitute service for which classification is being made; and

4) specifies:

- A) one or more entities that provide the same service, its functional equivalent, or a substitute service, and
- B) the identifiable class or group of customers in an exchange, group of exchanges or other clearly defined geographical area to whom such service is offered by such entity or entities.

d) If a telecommunications carrier which files a tariff classifying a service as competitive or reclassifying a previously noncompetitive telecommunications service as competitive also offers or provides noncompetitive telecommunications service, it shall file a study of the long-run service incremental cost for the service being classified as competitive at the time the tariff is filed (Section 13-502 of the Act).

e) Tariffs filed pursuant to Section 13-502(b) of the Act take effect immediately upon filing. Proposed tariffs filed pursuant to Section 13-502(e) of the Act take effect as provided in that Section and in Section 745-220 of this Part.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## ILLINOIS COMMERCE COMMISSION

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### Section 745.210 Additional Provisions Concerning Tariffs Filed Under Section 13-502(e) (Repealed)

All telecommunications carriers filing proposed tariffs classifying a service as competitive under Section 13-502(e) of the Act shall comply with the requirements set forth in the remainder of this Section in addition to those requirements stated in Section 745-200.

a) An application shall be filed with the Commission for an order finding that the proposed tariff is proper and consistent with law. This application must accompany the proposed tariff and the statement required by Section 745-200(d). (Section 13-502 of the Act).

b) Notice

1) Any telecommunications carrier applying for Commission approval of a proposed tariff under Section 13-502(e) shall provide timely and effective notice of its application and proposed tariff to potentially affected providers and customers publishing in the official State newspaper and in some secular newspaper (that has been regularly published for at least 6 months prior to the publication of such notice) in general circulation in the exchange, group of exchanges or other geographical area to be served under the proposed geographical area to be served under the proposed tariff. A notice containing the information specified in the form of Exhibit A of this Part, not more than 21 days before the proposed tariff is filed.

2) Certificates of the publication required by subsection (b)(1) above shall accompany the proposed tariff when filed. Lists of the names and addresses of newspapers of general circulation in the State are available from the Chief Clerk of the Commission at 527-B, Capitol, Springfield, Illinois 62706.

(Source: Repealed at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

### Section 745.220 Post-filing Proceedings Under Section 13-502(e) (Repealed)

a) The Commission shall enter into hearings on a proposed tariff if any potentially affected provider or customer requests a hearing under Section 13-502(e) of the Act by filing a request for such a hearing not later than 10 days after the proposed tariff is filed.

b) The Commission enters into hearings upon the application, it shall enter a final order within 100 days of such application, and, if the commission fails to enter an order within such period, the application shall be deemed granted, unless, however, the commission, the applicant and all parties to the hearing agree to extend such time period (Section 13-502 of the Act).

c) The Commission shall enter into hearings on its own motion concerning any proposed or effective tariff when the Commission finds that it cannot make a determination based on the allegations contained in the



## ILLINOIS COMMERCE COMMISSION

## NOTICE OF PROPOSED AMENDMENTS

verified-statement-required-by-Section-745-200(e)-

(Source: Repealed at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## Section 745.221 Rate Changes for Competitive Services

- a) Requirements for proposed changes in rates for competitive services are found in Section 13-505 of the Act.
- b) Prior notice of an increase shall be given to all potentially affected customers by mail, publication in a newspaper of general circulation, or equivalent means of notice (Section 13-505(b) of the Act).

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## Section 745.225 Interim Orders (Repealed)

the-Commission-shall-issue-an-interim-order-if-the-Commission-finds-that-an interim-order-will-advance-the-legislative-policy-enumerated-in-Section-13-103 of-the-Act--Any-conditions-imposed-will-be-those-needed-to-carry-out-the policy-of--Section-13-103-of-the-Act-under-the-circumstances-of-the-particular case:

(Source: Repealed at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF PROPOSED AMENDMENTS

Section 745.EXHIBIT A Notice of Competitive Tariff Filing Under Section 13-502(e) (Repealed)

Notice-is-hereby-given-that-----{Applicant's-Name}-----will-file-with the-Illinois-Commerce-Commission-an-application-to-offer-----{type-of service}-----M-telecommunications-service-on-a-competitive-basis-under Sections-13-502(e)-of-the-Public-Utilities-Act--This-application-will-be-filed within-twenty-one-{21}-days-

Requests--for--hearing--must--be--made-in-accordance-with-the-provisions-of Section-13-502(e)-of-the-Public-Utilities-Act-and-83-Ill.-Adm.-Code-745-220-

Additional information concerning this filing may be obtained from the Chief Clerk of the Illinois Commerce Commission, 527 East Capitol Avenue, Springfield, Illinois 62796 or from

=====

{Applicant}

{Address}

(Source: Repealed at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

ILLINOIS COMMERCE COMMISSION  
NOTICE OF PROPOSED AMENDMENTS

Section 745. EXHIBIT B Notice of Simplified Noncompetitive Tariff Filing under  
Section 13-504

To the customers of \_\_\_\_\_:  
(Company)

(Date)

The \_\_\_\_\_ (Company) hereby gives notice that on \_\_\_\_\_ (Date) it will file a proposed tariff that makes a change in its rates, charges, or classifications resulting in a change in rates or charges for local exchange telecommunications service pursuant to Section 13-504 of the Public Utilities Act.

- (1) (State whether the change is in rates, charges, classification, rule or regulation.)
- (2) (Give present and proposed rates so consumer can determine the effect on his or her bill.)
- (3) (Give area or exchange that is affected by tariff filing.)

This proposed tariff will become effective 30 days after it is filed with the Illinois Commerce Commission. The Commission must investigate whether the proposed change is just and reasonable if a telecommunications carrier that is a customer of the local exchange telecommunications carrier or 10 the lesser of 5 percent or 75 of the potentially affected subscribers of the company file a petition or complaint with the Chief Clerk of the Commission requesting an investigation.

Additional information concerning this filing may be obtained from \_\_\_\_\_ (Company), \_\_\_\_\_ (Address) at \_\_\_\_\_ (Telephone No.), or from the Chief Clerk, Illinois Commerce Commission, 527 East Capitol Avenue, P.O. Box 19280, Springfield, Illinois, 62794-9280, (217)782-7434.

(Signature)

(Title)

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

Chicago Kent Law School

Telephone number: (217) 785-9772

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None

13) Regulatory agenda on which this rulemaking was summarized: This rulemaking was not included on either of the two most recent agendas because: it was not anticipated by the Department when the two most recent regulatory agendas were published.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF HUMAN SERVICES  
NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Aid to the Aged, Blind or Disabled

2) Code Citation: 89 Ill. Adm. Code 113

3) Section Numbers:  
113.320  
Proposed Action:  
Amendment

4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13].

5) A Complete Description of the Subjects and Issues involved: These proposed amendments revise the frequency of redeterminations for AABD (non-group care) clients. Currently, AABD eligibility for clients residing in shelter care homes must be redetermined every six months. This rulemaking will change the frequency of redetermination to every 12 months for these recipients. As a result of these proposed amendments, the frequency of redeterminations for AABD (non-group care) clients will then correspond with the frequency of redeterminations for other AABD clients.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? Yes

Section Numbers	Proposed Action	Illinois Register Citation
113.40	Amendment	22 Ill. Reg. 2513
113.50	Amendment	22 Ill. Reg. 2513

10) Statement of Statewide Policy Objectives: This rulemaking does not create or expand a State mandate.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days after the date of this issue of the Illinois Register. All requests and comments should be submitted in writing to:

Mrs. Susan Warner Weir, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3rd Floor, Harris Bldg.  
Springfield, Illinois 62762



TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 113

AID TO THE AGED, BLIND OR DISABLED

SUBPART A: GENERAL PROVISIONS

Section

113.1 Description of the Assistance Program  
113.5 Incorporation By Reference

SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

Section

113.9 Client Cooperation  
113.10 Citizenship  
113.20 Residence  
113.30 Age  
113.40 Blind  
113.50 Disabled  
113.60 Living Arrangement  
113.70 Institutional Status  
113.80 Social Security Number

SUBPART C: FINANCIAL FACTORS OF ELIGIBILITY

Section

113.100 Unearned Income  
113.101 Budgeting Unearned Income  
113.102 Budgeting Unearned Income of Applicants Receiving Income On Date of Application And/Or Date of Decision  
113.103 Initial Receipt of Unearned Income  
113.104 Termination of Unearned Income  
113.105 Unearned Income In-Kind  
113.106 Earnmarked Income  
113.107 Lump Sum Payments and Income Tax Refunds  
113.108 Protected Income (Repealed)  
113.109 Earned Income (Repealed)  
113.110 Budgeting Earned Income (Repealed)  
113.111 Protected Income  
113.112 Earned Income  
113.113 Exempt Unearned Income  
113.114 Budgeting Earned Income of Applicants Receiving Income On Date of Application And/Or Date of Decision  
113.115 Initial Employment  
113.116 Budgeting Earned Income For Contractual Employees  
113.117 Budgeting Earned Income For Non-contractual School Employees  
113.118 Termination of Employment  
113.120 Exempt Earned Income

113.125 Recognized Employment Expenses  
113.130 Income From Work/Study/Training Programs  
113.131 Earned Income From Self-Employment  
113.132 Earned Income From Roomer and Boarder  
113.133 Earned Income From Rental Property  
113.134 Earned Income In-Kind  
113.139 Payments from the Illinois Department of Children and Family Services  
113.140 Assets  
113.141 Exempt Assets  
113.142 Asset Disregard  
113.143 Deferral of Consideration of Assets  
113.154 Property Transfers For Applications Filed Prior To October 1, 1989 (Repealed)  
113.155 Property Transfers For Applications Filed On Or After October 1, 1989 (Repealed)  
113.156 Court Ordered Child Support Payments of Parent/Step-Parent  
113.157 Sponsors of Aliens  
113.160 Assignment of Medical Support Rights

SUBPART D: PAYMENT AMOUNTS

Section

113.245 Payment Levels for AABD  
113.246 Personal Allowance  
113.247 Personal Allowance Amounts  
113.248 Shelter  
113.249 Utilities and Heating Fuel  
113.250 Laundry  
113.251 Telephone  
113.252 Transportation, Lunches, Special Fees  
113.253 Allowances for Increase in SSI Benefits  
113.254 Nursing Care or Personal Care in Home Not Subject to Licensing  
113.255 Sheltered Care in a Licensed Group Care Facility  
113.256 Shopping Allowance  
113.257 Special Allowances for Blind and Partially Sighted (Blind Only)  
113.258 Home Delivered Meals  
113.259 AABD Fuel and Utility Allowances By Area  
113.260 Sheltered Care Rates  
113.261 Cases in Licensed Intermediate Care Facilities, Licensed Skilled Nursing Facilities, DMHDD Facilities and All Other Licensed Medical Facilities  
113.262 Meeting the Needs of an Ineligible Dependent with Client's Income

SUBPART E: OTHER PROVISIONS

Section

113.300 Persons Who May Be Included In the Assistance Unit  
113.301 Grandfathered Cases  
113.302 Interim Assistance (Repealed)  
113.303 Special Needs Authorizations  
113.304 Retrospective Budgeting  
113.305 Budgeting Schedule

peremptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; peremptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; peremptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10760, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; peremptory amendment at 6 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; peremptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; peremptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 10, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 9367, effective August 1, 1983; amended at 7 Ill. Reg. 17351, effective December 21, 1983; amended at 8 Ill. Reg. 537, effective December 30, 1983; amended at 8 Ill. Reg. 5225, effective April 9, 1984; amended at 8 Ill. Reg. 6746, effective April 27, 1984; amended at 8 Ill. Reg. 11414, effective June 27, 1984; amended at 8 Ill. Reg. 13273, effective July 16, 1984; amended (by Sections being codified with no substantive change) at 8 Ill. Reg. 17895; amended at 8 Ill. Reg. 18896, effective September 26, 1984; amended at 9 Ill. Reg. 5335, effective April 5, 1985; amended at 9 Ill. Reg. 8166, effective May 17, 1985; amended at 9 Ill. Reg. 8657, effective May 25, 1985; amended at 9 Ill. Reg. 11302, effective July 5, 1985; amended at 9 Ill. Reg. 11636, effective July 8, 1985; amended at 9 Ill. Reg. 11991, effective July 12, 1985; amended at 9 Ill. Reg. 12806, effective August 9, 1985; amended at 9 Ill. Reg. 15896, effective October 4, 1985; amended at 9 Ill. Reg. 16291, effective October 10, 1985; emergency amendment at 10 Ill. Reg. 364, effective January 1, 1986; amended at 10 Ill. Reg. 1183, effective January 10, 1986; amended at 10 Ill. Reg. 6956, effective April 16, 1986; amended at 10 Ill. Reg. 8794, effective May 12, 1986; amended at 10 Ill. Reg. 10628, effective June 3, 1986; amended at 10 Ill. Reg. 11920, effective July 3, 1986; amended at 10 Ill. Reg. 15110, effective September 5, 1986; amended at 10 Ill. Reg. 15631, effective September 19, 1986; amended at 11 Ill. Reg. 3150, effective February 6, 1987; amended at 11 Ill. Reg. 8712, effective April 20, 1987; amended at 11 Ill. Reg. 9919, effective May 15, 1987; emergency amendment at 11 Ill. Reg. 12441, effective July 10, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20880, effective

113.306 Purchase and Repair of Household Furniture (Repealed)  
 113.307 Property Repairs and Maintenance  
 113.308 Excess Shelter Allowance  
 113.309 Limitation on Amount of AABD Assistance to Recipients from Other States  
 113.320 Redetermination of Eligibility  
 113.330 Attorney's Fees for VA Appellants (Repealed)  
 SUBPART F: INTERIM ASSISTANCE  
 Description of the Interim Assistance Program  
 113.400 Pending SSI Application (Repealed)  
 113.405 More Likely Than Not Eligible for SSI (Repealed)  
 113.410 Non-Financial Factors of Eligibility (Repealed)  
 113.415 Financial Factors of Eligibility (Repealed)  
 113.420 Payment Levels for Chicago Interim Assistance Cases (Repealed)  
 113.425 Payment Levels for all Interim Assistance Cases Outside Chicago (Repealed)  
 113.430 Medical Eligibility (Repealed)  
 113.435 Attorney's Fees for SSI Applicants (Repealed)  
 113.440 Advocacy Program for Persons Receiving Interim Assistance (Repealed)  
 113.445 Limitation on Amount of Interim Assistance to Recipients from Other States (Repealed)  
 113.450 Attorney's Fees for SSI Appellants (Renumbered)  
 113.500

AUTHORITY: Implementing Article III and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. III and 12-13].

SOURCE: Filed effective December 30, 1977; peremptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; emergency expired January 28, 1979; peremptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amendment at 3 Ill. Reg. 38, p. 243, effective effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 321, effective September 21, 1979; peremptory amendment at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; peremptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981;

# Section 113.320 Redetermination of Eligibility

## a) AABD (Non-Group Care)

It is the Department's responsibility to determine the continued eligibility of all recipients of assistance and it is the recipient's responsibility to cooperate in the redetermination of eligibility. A redetermination of eligibility shall be conducted every 12 ~~six~~ months.

## b) AABD (Group Care)

- 1) If Receipt of a lump sum payment is reported, a redetermination is to be completed within ~~thirty~~-t 30 days.
- 2) For recipients in group care and shelter care facilities, a redetermination of continued eligibility is to include a review of each recipient's personal allowance funds and room and board accounts.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

December 14, 1987; amended at 12 Ill. Reg. 867, effective January 1, 1988; amended at 12 Ill. Reg. 2137, effective January 11, 1988; amended at 12 Ill. Reg. 3497, effective January 22, 1988; amended at 12 Ill. Reg. 5642, effective March 15, 1988; amended at 12 Ill. Reg. 6151, effective March 22, 1988; amended at 12 Ill. Reg. 7687, effective April 22, 1988; amended at 12 Ill. Reg. 8662, effective May 13, 1988; amended at 12 Ill. Reg. 9023, effective May 20, 1988; amended at 12 Ill. Reg. 9669, effective May 24, 1988; emergency amendment at 12 Ill. Reg. 11828, effective July 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 14162, effective August 30, 1988; amended at 12 Ill. Reg. 17849, effective October 25, 1988; amended at 13 Ill. Reg. 63, effective January 1, 1989; emergency amendment at 13 Ill. Reg. 3402, effective March 3, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 6007, effective April 14, 1989; amended at 13 Ill. Reg. 12553, effective July 12, 1989; amended at 13 Ill. Reg. 13609, effective August 11, 1989; emergency amendment at 13 Ill. Reg. 14467, effective September 1, 1989, for a maximum of 150 days; emergency amendment at 13 Ill. Reg. 16154, effective October 2, 1989, for a maximum of 150 days; amended at 14 Ill. Reg. 6321, effective April 16, 1990; amended at 14 Ill. Reg. 13187, effective August 6, 1990; amended at 14 Ill. Reg. 14806, effective September 3, 1990; amended at 14 Ill. Reg. 16957, effective September 30, 1990; amended at 15 Ill. Reg. 277, effective January 1, 1991; emergency amendment at 15 Ill. Reg. 1111, effective January 10, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 5291, effective April 1, 1991; amended at 15 Ill. Reg. 5698, effective April 10, 1991; amended at 15 Ill. Reg. 7104, effective April 30, 1991; amended at 15 Ill. Reg. 11142, effective July 22, 1991; amended at 15 Ill. Reg. 11948, effective August 12, 1991; amended at 15 Ill. Reg. 14073, effective September 11, 1991; emergency amendment at 15 Ill. Reg. 15119, effective October 7, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 16709, effective November 1, 1991; amended at 16 Ill. Reg. 3468, effective February 20, 1992; amended at 16 Ill. Reg. 9986, effective June 15, 1992; amended at 16 Ill. Reg. 11565, effective July 15, 1992; emergency amendment at 16 Ill. Reg. 13641, effective September 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14722, effective September 15, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 17154, effective November 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 17764, effective November 13, 1992, for a maximum of 150 days; amended at 17 Ill. Reg. 827, effective January 15, 1993; amended at 17 Ill. Reg. 2263, effective February 15, 1993; amended at 17 Ill. Reg. 3202, effective February 26, 1993; amended at 17 Ill. Reg. 4322, effective March 22, 1993; amended at 17 Ill. Reg. 6804, effective April 21, 1993; amended at 17 Ill. Reg. 14612, effective August 26, 1993; amended at 18 Ill. Reg. 2018, effective January 21, 1994; amended at 18 Ill. Reg. 7759, effective May 5, 1994; amended at 18 Ill. Reg. 12818, effective August 5, 1994; amended at 19 Ill. Reg. 1052, effective January 26, 1995; amended at 19 Ill. Reg. 2875, effective February 24, 1995; amended at 19 Ill. Reg. 6639, effective May 5, 1995; emergency amendment at 19 Ill. Reg. 8409, effective June 9, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15034, effective October 17, 1995; amended at 20 Ill. Reg. 858, effective December 29, 1995; emergency amendment at 21 Ill. Reg. 673, effective January 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 7404, effective May 31, 1997; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.



DEPARTMENT OF HUMAN SERVICES  
NOTICE OF PROPOSED AMENDMENTS

If because of physical disability you are unable to put comments into writing, you may make them orally to the person listed above.

12) Initial Regulatory Flexibility Analysis: The Department has determined that this rulemaking will not affect small businesses.

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary form compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF HUMAN SERVICES  
NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Collections and Recoveries

2) Code Citation: 89 Ill. Adm. Code 165

3) Section Numbers: 165.10  
Proposed Action: Amendment

4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. III and 12-13]

5) A Complete Description of the Subjects and Issues involved: These proposed amendments make a change in the provisions for collections and recoveries. This change is being made to save administrative costs associated with establishing claims for small amounts. As a result of this rulemaking, if a food stamp overpayment is \$125.00 or less and the household is no longer participating in the Food Stamp Program, no action will be taken to recover the overpayment.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? Yes

Section Numbers Proposed Action Illinois Register Citation

165.104 Amendment 21 Ill. Reg. 7836

10) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create or expand a State mandate.

11) Time, Place, and Manner in which interested persons may comment on this Proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days after this issue of the Illinois Register. All requests and comments should be submitted in writing to:

Ms. Susan Warner Weir, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3rd Floor, Harris Bldg.  
Springfield, Illinois 62762  
Telephone number (217) 785-9772  
TTY: (217) 557-1547

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER f: COLLECTIONSPART 165  
COLLECTIONS AND RECOVERIES

## SUBPART A: GENERAL OVERPAYMENT PROVISIONS

## Section

- 165.1 Incorporation By Reference  
165.10 Overpayments  
165.20 Determination of Financial Assistance Overpayments  
165.30 Types of Food Stamp Overpayment Claims  
165.40 Determination of Food Stamp Overpayments  
165.42 Establishment of Claims for Food Stamp Overpayments  
165.50 Suspension and Termination of Food Stamp Claims

SUBPART B: COLLECTION OF FINANCIAL ASSISTANCE  
OVERPAYMENTS FROM CURRENT CASES

## Section

- 165.70 Recoupment of Overpayments from Current Temporary Assistance to Needy Families (TANF), Aid to the Aged, Blind or Disabled (AABD) and General Assistance (GA) Cases

SUBPART C: COLLECTION OF FOOD STAMP OVERPAYMENTS FROM  
CURRENTLY PARTICIPATING HOUSEHOLDS

## Section

- 165.80 Initiating Collection from Currently Participating Households  
165.82 Methods of Food Stamp Claim Repayment  
165.84 Determination of Monthly Benefit Reduction Amount  
165.86 Failure to Respond to Initial Demand Letter  
165.88 Failure to Comply with Repayment Schedule

## SUBPART D: COLLECTION OF OVERPAYMENTS FROM NON-RECIPIENTS

## Section

- 165.100 Collection of Overpayments from Persons Not Receiving Financial Assistance or Food Stamps  
165.102 Demand for Repayment  
165.104 Methods of Involuntary Repayment  
165.106 Effect of Return to Active Assistance Status

AUTHORITY: Implementing and authorized by Sections 11-18, 12-4.4 and 12-13 of the Illinois Public Aid Code [305 ILCS 5/11-18, 12-4.4 and 12-13].

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

SOURCE: Recodified from 89 Ill. Adm. Code 102.100 and 102.110 and 89 Ill. Adm. Code 121.200 through 121.208 at 10 Ill. Reg. 21094; amended at 11 Ill. Reg. 10604, effective May 29, 1987; amended at 12 Ill. Reg. 18192, effective November 4, 1988; amended at 13 Ill. Reg. 3843, effective March 17, 1989; amended at 17 Ill. Reg. 8187, effective May 24, 1993; amended at 17 Ill. Reg. 18113, effective September 29, 1993; emergency amendment at 20 Ill. Reg. 13376, effective October 1, 1996, for a maximum of 150 days; amended at 21 Ill. Reg. 3151, effective February 28, 1997; emergency amendments at 21 Ill. Reg. 8607, effective July 1, 1997, for a maximum of 150 days; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 21 Ill. Reg. 15502, effective November 26, 1997; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## SUBPART A: GENERAL OVERPAYMENT PROVISIONS

## Section 165.10 Overpayments

An overpayment is financial assistance, food stamp benefits or both, issued in error to or in behalf of a client. The Illinois Department of Public Aid Human Services (Department) shall initiate action to recover all overpayments, whether or not a client is currently eligible for financial assistance, food stamp benefits or both. If a food stamp overpayment is \$125 or less and the household is no longer participating in the food stamp program, no action is taken to recover the overpayment.

- If a person currently receives assistance of the type in which the overpayment occurred, the overpayment shall be collected under Subparts Subpart B or C, as the case may be, of this Part.
- If a family currently participating in the Temporary Assistance for Needy Families (TANF) program has received an overpayment of AFDC or TANF, and has not repaid the money, the overpayment shall be collected under Subparts Subpart B or C, as the case may be, of this Part.
- If a person (including a person who receives only medical assistance) does not currently receive assistance of the type in which the overpayment occurred, the overpayment shall be collected under Subpart D of this Part.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

Chicago Kent Law School

DEPARTMENT OF HUMAN SERVICES  
NOTICE OF PROPOSED AMENDMENTS

incorporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance:  
None

C) Types of professional skills necessary for compliance? None

13) Regulatory agenda on which this rulemaking was summarized: January 1988 was published February 2, 1998 at 22 Ill. Reg. 3147.

The full text of Proposed Amendments begins on the next page:

DEPARTMENT OF HUMAN SERVICES  
NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: General Assistance

2) Code Citation: 89 Ill. Adm. Code 114

3) Section Numbers: Proposed Action:  
114.210 Amendment

4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13].

5) A Complete Description of the Subjects and Issues Involved: These proposed amendments exempt employment-related reimbursements for past or future expenses to the extent that they do not exceed actual expenses incurred and do not represent a gain or benefit to the client. This rulemaking reflects current Department policy and promotes employment by removing a disincentive for some employed individuals. This proposal encourages clients to work by not penalizing them financially because of the receipt of reimbursements for out-of-pocket expenses. Companion amendments are also being proposed to 89 Ill. Adm. Code 112.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create or expand a State mandate.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days after the date of this issue of the Illinois Register. All requests and comments should be submitted in writing to:

Mrs. Susan Warner Weir, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3rd Floor, Harris Bldg.  
Springfield, Illinois 62762  
(217) 785-9772

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit



## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER b: ASSISTANCE PROGRAMSPART 114  
GENERAL ASSISTANCE

## SUBPART A: GENERAL PROVISIONS

Section	
114.1	Description of the Assistance Program
114.2	Determination of Not Employable
114.3	Advocacy Program for Persons Receiving State Transitional Assistance
114.5	Incorporation By Reference

## SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

Section	
114.9	Client Cooperation
114.10	Citizenship
114.20	Residence
114.30	Age
114.40	Relationship
114.50	Living Arrangement
114.52	Social Security Numbers
114.60	Work Registration Requirements (Outside City of Chicago only)
114.61	Individuals Exempt From Work Registration Requirements (Outside City of Chicago only)
114.62	Job Service Registration (Outside City of Chicago only)
114.63	Failure to Maintain Current Job Service Registration (Outside City of Chicago only)
114.64	Responsibility to Seek Employment (Outside City of Chicago only)
114.70	Initial Employment Expenses (Outside City of Chicago only)
114.80	Downstate General Assistance Work and Training Programs
114.85	Downstate General Assistance - Food Stamps Employment and Training Pilot Project
114.90	Project Chance Participation/Cooperation Requirements (Renumbered)
114.100	General Assistance Jobs Program (Repealed)
114.101	Persons Ineligible for TANF Due to Time Limits

## SUBPART C: PROJECT ADVANCE

Section	
114.108	Project Advance (Repealed)
114.109	Project Advance Participation Requirements of Adjudicated Fathers (Repealed)
114.110	Project Advance Cooperation Requirements of Adjudicated Fathers (Repealed)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

114.111	Project Advance Sanctions (Repealed)
114.113	Project Advance Good Cause for Failure to Comply (Repealed)
114.115	Individuals Exempt From Project Advance (Repealed)
114.117	Project Advance Supportive Services (Repealed)

## SUBPART D: EMPLOYMENT AND TRAINING REQUIREMENTS

Section	
114.120	Employment and Training Requirements
114.121	Persons Required to Participate in Project Chance (Repealed)
114.122	Advocacy Program for Persons Who Have Applied for Supplemental Security Income (SSI) Under Title XVI of the Social Security Act (Repealed)
114.123	Persons in Need of Work Rehabilitative Services (WRS) to Become Employable (Repealed)
114.124	Employment and Training Participation/Cooperation Requirements (Repealed)
114.125	Employment and Training Program Orientation (Repealed)
114.126	Employment and Training Program Full Assessment Process/Development of an Employment Plan (Repealed)
114.127	Employment and Training Program Components (Repealed)
114.128	Employment and Training Sanctions (Repealed)
114.129	Good Cause For Failure to Cooperate With Work and Training Participation Requirements (Repealed)
114.130	Employment and Training Supportive Services (Repealed)
114.135	Conciliation and Fair Hearings (Repealed)
114.140	Employment Child Care (Repealed)

## SUBPART E: FINANCIAL FACTORS OF ELIGIBILITY

Section	
114.200	Unearned Income
114.201	Budgeting Unearned Income
114.202	Budgeting Unearned Income of Applicants Receiving Income On Date of Application And/Or Date of Decision
114.203	Initial Receipt of Unearned Income
114.204	Termination of Unearned Income
114.210	Exempt Unearned Income
114.220	Education Benefits
114.221	Unearned Income In-Kind
114.222	Earmarked Income
114.223	Lump-Sum Payments
114.224	Protected Income
114.225	Earned Income
114.226	Budgeting Earned Income
114.227	Budgeting Earned Income of Applicants Receiving Income On Date of Application And/Or Date of Decision
114.228	Initial Employment

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

114.454 Qualified Provider (Repealed)  
114.456 Notification of Available Services (Repealed)  
114.458 Participant Rights and Responsibilities (Repealed)  
114.462 Additional Service to Secure or Maintain Child Care Arrangements (Repealed)  
114.464 Rates of Payment for Child Care (Repealed)  
114.466 Method of Providing Child Care (Repealed)

## SUBPART I: TRANSITIONAL CHILD CARE

Section  
114.500 Transitional Child Care Eligibility (Repealed)  
114.504 Duration of Eligibility for Transitional Child Care (Repealed)  
114.506 Loss of Eligibility for Transitional Child Care (Repealed)  
114.508 Qualified Provider (Repealed)  
114.510 Notification of Available Services (Repealed)  
114.512 Participant Rights and Responsibilities (Repealed)  
114.514 Child Care Overpayments and Recoveries (Repealed)  
114.516 Fees for Service for Transitional Child Care (Repealed)  
114.518 Rates of Payment for Transitional Child Care (Repealed)

AUTHORITY: Implementing Article VI and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. VI and 12-13].

SOURCE: Filed effective December 30, 1977; peremptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; peremptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; peremptory amendment at 2 Ill. Reg. 46, p. 56, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 13, 1979; amendment at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979, peremptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; peremptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 29, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 37, p. 797, effective 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 27, p. 387, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981; peremptory amendment at 5 Ill. Reg. 5722, effective

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

114.229 Termination of Employment  
114.230 Exempt Earned Income  
114.235 Recognized Employment Expenses  
114.240 Income From Work/Study/Training Program (Repealed)  
114.241 Earned Income From Self-Employment  
114.242 Earned Income From Roomer and Boarder  
114.243 Earned Income From Rental Property  
114.244 Earned Income In-Kind  
114.245 Payments from the Illinois Department of Children and Family Services  
114.246 Budgeting Earned Income For Contractual Employees  
114.247 Budgeting Earned Income For Non-contractual School Employees  
114.250 Assets  
114.251 Exempt Assets  
114.252 Asset Disregards  
114.260 Deferral of Consideration of Assets (Repealed)  
114.270 Property Transfers (Repealed)  
114.280 Supplemental Payments

## SUBPART F: PAYMENT AMOUNTS

Section  
114.350 Payment Levels  
114.351 Payment Levels in Group I Counties  
114.352 Payment Levels in Group II Counties  
114.353 Payment Levels in Group III Counties

## SUBPART G: OTHER PROVISIONS

Section  
114.400 Persons Who May Be Included In the Assistance Unit  
114.401 Eligibility of Strikers  
114.402 Special Needs Authorizations (Repealed)  
114.403 Institutional Status  
114.404 Retrospective Budgeting  
114.405 Budgeting Schedule  
114.406 Limitation on Amount of General Assistance to Recipients from Other States  
114.420 Redetermination of Eligibility  
114.430 Extension of Medical Assistance Due to Increased Income from Employment  
114.440 Attorney's Fees for VA Appellants  
114.442 Attorney's Fees for SSI Applicants

## SUBPART H: CHILD CARE

Section  
114.450 Child Care (Repealed)  
114.452 Child Care Eligibility (Repealed)

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; peremptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; peremptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; peremptory amendment at 5 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; peremptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; peremptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; peremptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 7, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 9909, effective August 5, 1983; amended (by adding Section being codified with no substantive change) at 7 Ill. Reg. 14747; amended (by adding Section being codified with no substantive change) at 7 Ill. Reg. 16107; amended at 7 Ill. Reg. 16408, effective November 30, 1983; amended at 7 Ill. Reg. 16652, effective December 1, 1983; amended at 8 Ill. Reg. 243, effective December 27, 1983; amended at 8 Ill. Reg. 5233, effective April 9, 1984; amended at 8 Ill. Reg. 6764, effective April 27, 1984; amended at 8 Ill. Reg. 11435, effective June 27, 1984; amended at 8 Ill. Reg. 13319, effective July 16, 1984; amended at 8 Ill. Reg. 16237, effective August 24, 1984; amended (by adding Sections being codified with no substantive change) at 8 Ill. Reg. 17896; amended at 9 Ill. Reg. 314, effective January 1, 1985; emergency amendment at 9 Ill. Reg. 823, effective January 3, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 9557, effective June 5, 1985; amended at 9 Ill. Reg. 10764, effective July 5, 1985; amended at 9 Ill. Reg. 15800, effective October 16, 1985; amended at 10 Ill. Reg. 1924, effective January 17, 1986; amended at 10 Ill. Reg. 3660, effective January 30, 1986; emergency amendment at 10 Ill. Reg. 4646, effective February 3, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 4896, effective March 7, 1986; amended at 10 Ill. Reg. 10681, effective June 3, 1986; amended at 10 Ill. Reg. 11041, effective June 5, 1986; amended at 10 Ill. Reg. 12662, effective July 14, 1986; amended at 10

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

Ill. Reg. 15118, effective September 5, 1986; amended at 10 Ill. Reg. 15640, effective September 19, 1986; amended at 10 Ill. Reg. 19079, effective October 24, 1986; amended at 11 Ill. Reg. 2307, effective January 16, 1987; amended at 11 Ill. Reg. 5297, effective March 11, 1987; amended at 11 Ill. Reg. 6238, effective March 20, 1987; emergency amendment at 11 Ill. Reg. 12449, effective July 10, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 12948, effective August 1, 1987, for a maximum of 150 days; emergency amendment at 11 Ill. Reg. 18311, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 18689, effective November 1, 1987; emergency amendment at 11 Ill. Reg. 18791, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20129, effective December 4, 1987; amended at 11 Ill. Reg. 20889, effective December 14, 1987; amended at 12 Ill. Reg. 889, effective January 1, 1988; SUBPARTS C, D and E recodified to SUBPARTS E, F and G at 12 Ill. Reg. 2147; Section 114.110 recodified to Section 114.52 at 12 Ill. Reg. 2984; amended at 12 Ill. Reg. 3505, effective January 22, 1988; amended at 12 Ill. Reg. 6170, effective March 18, 1988; amended at 12 Ill. Reg. 6719, effective March 22, 1988; amended at 12 Ill. Reg. 9108, effective May 20, 1988; amended at 12 Ill. Reg. 9699, effective May 24, 1988; amended at 12 Ill. Reg. 9940, effective May 31, 1988; amended at 12 Ill. Reg. 11474, effective June 30, 1988; amended at 12 Ill. Reg. 14255, effective August 30, 1988; emergency amendment at 12 Ill. Reg. 14364, effective September 1, 1988, for a maximum of 150 days; amendment at 12 Ill. Reg. 16729, effective September 30, 1988; amended at 12 Ill. Reg. 20171, effective November 28, 1988; amended at 13 Ill. Reg. 89, effective January 1, 1989; amended at 13 Ill. Reg. 1546, effective January 20, 1989; amended at 13 Ill. Reg. 3900, effective March 10, 1989; amended at 13 Ill. Reg. 8580, effective May 20, 1989; emergency amendment at 13 Ill. Reg. 16169, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 13 Ill. Reg. 16015, effective October 6, 1989; amended at 14 Ill. Reg. 746, effective January 1, 1990; amended at 14 Ill. Reg. 3640, effective February 23, 1990; amended at 14 Ill. Reg. 6360, effective April 16, 1990; amended at 14 Ill. Reg. 10929, effective June 20, 1990; amended at 14 Ill. Reg. 13215, effective August 6, 1990; amended at 14 Ill. Reg. 13777, effective August 10, 1990; amended at 14 Ill. Reg. 14162, effective August 17, 1990; amended at 14 Ill. Reg. 17111, effective September 30, 1990; amended at 15 Ill. Reg. 288, effective January 1, 1991; amended at 15 Ill. Reg. 5710, effective April 10, 1991; amended at 15 Ill. Reg. 11164, effective August 1, 1991; emergency amendment at 15 Ill. Reg. 15144, effective October 7, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 3512, effective February 20, 1992; emergency amendment at 16 Ill. Reg. 4540, effective March 10, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 11662, effective July 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 13297, effective August 15, 1992; emergency amendment at 16 Ill. Reg. 13651, effective September 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 14769, effective September 15, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 16276, effective October 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 17772, effective November 13, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 19815, effective November 24, 1992; amended at 17 Ill. Reg. 1091, effective January



## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

15, 1993; amended at 17 Ill. Reg. 2277, effective February 15, 1993; amended at 17 Ill. Reg. 3255, effective March 1, 1993; amended at 17 Ill. Reg. 3639, effective February 26, 1993; amended at 17 Ill. Reg. 3255, effective March 1, 1993; amended at 17 Ill. Reg. 6814, effective April 21, 1993; emergency amendment at 17 Ill. Reg. 19728, effective November 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 3436, effective February 28, 1994; amended at 18 Ill. Reg. 7390, effective April 29, 1994; amended at 18 Ill. Reg. 12839, effective August 5, 1994; emergency amendment at 19 Ill. Reg. 8434, effective June 9, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15058, effective October 17, 1995; emergency amendment at 20 Ill. Reg. 4445, effective February 28, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 9970, effective July 10, 1996; emergency amendment at 21 Ill. Reg. 682, effective January 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 7413, effective May 31, 1997; emergency amendment at 21 Ill. Reg. 8652, effective July 1, 1997, for a maximum of 150 days; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 21 Ill. Reg. 15545, effective November 26, 1997; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## SUBPART E: FINANCIAL FACTORS OF ELIGIBILITY

## Section 114.210 Exempt Unearned Income

The following unearned income shall be exempt from consideration in determining eligibility and the level of assistance payment.

- a) The value of the coupon allotment under the Food Stamp Act of 1977 (7 USC 605-6- 2017(b));
- b) The value of the U.S. Department of Agriculture donated foods (surplus commodities);
- c) Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC 605-6- 4636);
- d) Any per capita judgment funds paid under P.L. 92-254 to members of the Blackfeet Tribe of the Blackfeet Indian Reservation, Montana and the Gros Ventre Tribe of the Fort Belknap Reservation, Montana (25 USC 605-6- 1264);
- e) Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended (42 USC 605-6- 3030e);
- f) Any compensation provided to individual volunteers under the Retired Senior Volunteer Program (42 USC 605-6- 5001) and the Foster Grandparent Program (42 USC 605-6- 5011) and Older Americans Community Service Employment Program (42 USC 605-6- 3056) established under Title II of the Domestic Volunteer Service Act (42 USC 605-6- 5001 thru 5023), as amended;
- g) Income received under the provisions of Section 4(c) of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act (320 ILCS 25/4(c)). This includes both the benefits commonly known as the circuit breaker and "additional grants";

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

## h) Payments Under Certain Federal Programs

- 1) Any payment to volunteers in programs under Title II of the 1973 Domestic Volunteer Services Act, as amended (42 USC 605-6- 5044(q)). Examples of these programs include RSVP, Foster Grandparents and other programs.
- 2) Payments made under Title I (VISTA, University Year for Action and Urban Crime Prevention Program) are exempt only if the individual was receiving public assistance at the time he/she joined VISTA;
- i) Unearned income such as need based payments, cash assistance, compensation in lieu of wages and allowances received through the Job Training Partnership Act (29 USC 605-6- 1501-1781);
- j) Any payment received under Title I of P.L. 100-383 of the Civil Liberties Act of 1988 (50 USC 605-6- 1989b thru 1989b-8);
- k) Any payment received under Title II of P.L. 100-383 of the Aleutian and Pribilof Islands Restitution Act (50 USC 605-6- 1989c thru 1989c-8);
- l) Payments made by the Illinois Department of Human Services Mental Health--and-Developmental-Disabilities under the Family Assistance Law for Mentally Disabled Children under P.A. 86-921 (405 ILCS 80/Art. III).
- m) Disaster relief payments provided by federal, state or local government or a disaster assistance organization.
- n) Employment-related reimbursement for past or future expenses to the extent that they do not exceed actual expenses incurred and do not represent a gain or benefit to the client.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.)

DEPARTMENT OF HUMAN SERVICES  
NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Related Program Provisions
- 2) Code Citation: 89 Ill. Adm. Code 117
- 3) Section Numbers: Proposed Action: 117.91  
New Section
- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13].

5) A Complete Description of the Subjects and Issues involved: These proposed amendments implement the New Hire Match. The New Hire Reporting Act requires employers to report information about persons that they hire to the Illinois Department of Employment Security (IDES). Because this information is current, it can be useful in preventing case errors and overpayments. The Department proposes to utilize the information available in the New Hire Registry to reduce errors and overpayments created when clients fail to report employment.

As a result of these proposed amendments, when the new hire information reported by the employer matches Department records on clients and earned income has not been reported to the Department, a notice will be sent to the household. The notice will inform the household to provide verification of the new employment within 10 calendar days. Benefits will be discontinued if the household fails to respond to the notice within 10 calendar days. If the household responds to the notice and verifies that the information the Department received from the New Hire Match is incorrect, no negative action will be taken. However, if the household responds to the notice and provides verification of the earnings, appropriate case action will be taken based on the information provided by the household regarding income and employment.

- 6) Will this proposed rule replace an emergency rule currently in effect? No
- 7) Does this rulemaking contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other amendments pending on this Part? Yes

<u>Section Numbers</u>	<u>Proposed Action</u>	<u>Ill. Reg. Citation</u>
117.15	Amendment	22 Ill. Reg. 8278

10) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create or expand a State mandate.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments

DEPARTMENT OF HUMAN SERVICES  
NOTICE OF PROPOSED AMENDMENTS

concerning these rules within 45 days after the date of this issue of the *Illinois Register*. All requests and comments should be submitted in writing to:

Mrs. Susan Warner Weir, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3rd Floor, Harris Bldg.  
Springfield, Illinois 62762  
Telephone number: (217) 785-9772

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: None
- B) Reporting, bookkeeping or other procedures required for compliance: None
- C) Types of professional skills necessary for compliance: None

13) Regulatory agenda on which this rulemaking was summarized: January 1998

The full text of the Proposed Amendments begins on the next page:

my Chicago Kent Law School

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
 CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
 SUBCHAPTER vv: DISTRICT, COUNTY, TOWNSHIP AND SPECIAL ACT  
 MUTUAL COMPANIES  
 SUBCHAPTER b: ASSISTANCE PROGRAMS

## PART 117

## RELATED PROGRAM PROVISIONS

Section  
 117.1 Incorporation By Reference  
 117.10 Payee for Financial Assistance  
 117.11 Issuance of Cash Assistance Benefits  
 117.12 Client Training for the Electronic Benefits Transfer (EBT) System  
 117.13 Replacement of the EBT Card  
 117.15 Reinstatement Upon Agreement to Cooperate  
 117.20 Replacement of Missing Warrants  
 117.30 Withholding of Rent (Repealed)  
 117.40 Recovery of Interim Assistance - Aid to the Aged, Blind or Disabled and General Assistance  
 117.50 Funerals and Burials  
 117.51 Funeral Home Services  
 117.52 Burial Expenses  
 117.53 Payment to Vendor(s)  
 117.54 Claims for Reimbursement  
 117.55 Submittal of Claims  
 117.60 Substitute Parental Care/Supplemental Child Care - AFDC, AABD and GA Family Cases  
 117.70 Charge for Replacement of Photo ID Cards (Repealed)  
 117.80 Direct Deposit of Recipients' Warrants  
 117.90 State Income Tax Match  
 117.91 New Hire Match

AUTHORITY: Implementing Articles III, IV and VI and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV and VI and 12-13].

SOURCE: Filed and effective December 30, 1977; amended at 2 Ill. Reg. 31, p. 68, effective August 3, 1978; amended at 3 Ill. Reg. 38, p. 258, effective September 20, 1979; amended at 3 Ill. Reg. 41, p. 167, effective October 1, 1979; codified at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 16111, effective November 22, 1983; amended at 9 Ill. Reg. 3726, effective March 13, 1985; amended at 9 Ill. Reg. 4526, effective March 20, 1985; amended at 9 Ill. Reg. 8733, effective May 29, 1985; amended at 9 Ill. Reg. 10779, effective July 5, 1985; amended at 9 Ill. Reg. 16914, effective October 16, 1985; amended at 11 Ill. Reg. 4759, effective March 13, 1987; amended at 12 Ill. Reg. 2985, effective January 13, 1988; amended at 12 Ill. Reg. 13608, effective August 15, 1988; amended at 12 Ill. Reg. 14296, effective August 30, 1988; amended at 13

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

Ill. Reg. 3936, effective March 10, 1989; amended at 14 Ill. Reg. 780, effective January 1, 1990; amended at 14 Ill. Reg. 9488, effective June 1, 1990; amended at 15 Ill. Reg. 13533, effective August 1, 1991; amended at 16 Ill. Reg. 16644, effective October 23, 1992; emergency amendment at 17 Ill. Reg. 2368, effective February 8, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 8191, effective May 24, 1993; amended at 18 Ill. Reg. 3746, effective February 28, 1994; amended at 18 Ill. Reg. 7403, effective April 29, 1994; amended at 19 Ill. Reg. 1103, effective January 26, 1995; amended at 19 Ill. Reg. 10702, effective July 7, 1995; emergency amendment at 19 Ill. Reg. 15267, effective November 1, 1995, for a maximum of 150 days; amended at 20 Ill. Reg. 877, effective January 1, 1996; amended at 20 Ill. Reg. 5706, effective March 30, 1996; emergency amendment at 20 Ill. Reg. 10381, effective July 23, 1996, for a maximum of 150 days; amended at 21 Ill. Reg. 395, effective December 20, 1996; amended at 21 Ill. Reg. 7759, effective June 4, 1997; emergency amendment at 21 Ill. Reg. 8677, effective July 1, 1997, for a maximum of 150 days; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 21 Ill. Reg. 15591, effective November 26, 1997; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## Section 117.91 New Hire Match

The Department conducts a periodic New Hire Match of Department records and new hire information reported by employers. The purpose of the New Hire Match is to discover unreported earned income of persons receiving assistance.

- When the new hire information reported by the employer matches Department records on clients and earned income has not been reported to the Department, a notice is sent to the household. The notice informs the household to provide verification, to the Department, of the new employment within 10 calendar days.
- If the household fails to respond to the notice within 10 calendar days, benefits will be discontinued.
- If the household responds to the notice and provides verification of the earnings, appropriate case actions regarding termination or reduction of benefits and determination of any overpayment will be made based on the information provided by the household regarding income and employment.
- If the household responds to the notice and verifies that the information the Department received from the New Hire Match was incorrect, no negative action will be taken.

(Source: Added at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)



## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Temporary Assistance for Needy Families

2) Code Citation: 89 Ill. Adm. Code 112

3) Section Numbers: Proposed Action:  
112.110 Amendment

4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13].

5) A Complete Description of the Subjects and Issues Involved: These proposed amendments exempt employment-related reimbursements for past or future expenses to the extent that they do not exceed actual expenses incurred and do not represent a gain or benefit to the client. This rulemaking reflects current Department policy and promotes employment by removing a disincentive for some employed individuals. This proposal encourages clients to work by not penalizing them financially because of the receipt of reimbursements for out-of-pocket expenses. Companion amendments are also being proposed to 89 Ill. Adm. Code 114.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part? Yes

Section Numbers	Proposed Action	Illinois Register Citation
112.68	Amendment	22 Ill. Reg. 6024
112.78	Amendment	22 Ill. Reg. 4354
112.79	Amendment	22 Ill. Reg. 6024
112.305	Amendment	22 Ill. Reg. 9102

10) Statement of Statewide Policy Objectives (if applicable): This rulemaking does not create or expand a State mandate.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Interested persons may present their comments concerning these rules within 45 days of the date of this issue of the *Illinois Register*. All requests and comments should be submitted in writing to:

Mrs. Susan Warner Weir, Bureau Chief  
Bureau of Administrative Rules and Procedures  
Department of Human Services  
100 South Grand Avenue East  
3rd Floor, Harris Bldg.

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

Springfield, Illinois 62762  
Telephone number: (217) 785-9772

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance: None

C) Types of professional skills necessary for compliance: None

13) Regulatory agenda on which this rulemaking was summarized: February 1998

The full text of Proposed Amendments begins on the next page:

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## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER IV: DEPARTMENT OF HUMAN SERVICES  
SUBCHAPTER a: GENERAL PROGRAM PROVISIONS

## PART 112

## TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

## SUBPART A: GENERAL PROVISIONS

## Section

112.1 Description of the Assistance Program  
112.5 Incorporation by Reference

## SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

## Section

112.8 Caretaker Relative  
112.9 Client Cooperation  
112.10 Citizenship  
112.20 Residence  
112.30 Age  
112.40 Relationship  
112.50 Living Arrangement  
112.52 Social Security Numbers  
112.54 Assignment of Medical Support Rights  
112.60 Basis of Eligibility  
112.61 Death of a Parent (Repealed)  
112.62 Incapacity of a Parent (Repealed)  
112.63 Continued Absence of a Parent (Repealed)  
112.64 Unemployment of the Parent (Repealed)  
112.65 Responsibility and Services Plan  
112.66 Alcohol and Substance Abuse Treatment  
112.67 Restriction in Payment to Households Headed by a Minor Parent  
112.68 School Attendance Initiative  
112.69 Felons and Violators of Parole or Probation

## SUBPART C: TANF EMPLOYMENT AND WORK ACTIVITY REQUIREMENTS

## Section

112.70 Employment and Work Activity Requirements  
112.71 Individuals Exempt from TANF Employment and Work Activity Requirements  
112.72 Participation/Cooperation Requirements  
112.73 Adolescent Parent Program (Repealed)  
112.74 Responsibility and Services Plan  
112.75 Teen Parent Personal Responsibility Plan (Repealed)  
112.76 TANF Orientation  
112.77 Reconciliation and Fair Hearings

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

## TANF Employment and Work Activities

112.78 Sanctions  
112.79 Good Cause for Failure to Comply with TANF Participation Requirements  
112.80 Responsible Relative Eligibility for JOBS (Repealed)  
112.81 Supportive Services  
112.82 Teen Parent Services  
112.83 Work Experience Evaluation Project (Repealed)  
112.84 Four Year College/Vocational Training Demonstration Project  
112.85 (Repealed)

## SUBPART E: PROJECT ADVANCE

## Section

112.86 Project Advance (Repealed)  
112.87 Project Advance Experimental and Control Groups (Repealed)  
112.88 Project Advance Participation Requirements of Experimental Group Members and Adjudicated Fathers (Repealed)  
112.89 Project Advance Cooperation Requirements of Experimental Group Members and Adjudicated Fathers (Repealed)  
112.90 Project Advance Sanctions (Repealed)  
112.91 Good Cause for Failure to Comply with Project Advance (Repealed)  
112.93 Individuals Exempt From Project Advance (Repealed)  
112.95 Project Advance Supportive Services (Repealed)

## SUBPART F: EXCHANGE PROGRAM

Section  
112.98 Exchange Program (Repealed)

## SUBPART G: FINANCIAL FACTORS OF ELIGIBILITY

## Section

112.100 Unearned Income  
112.101 Unearned Income of Stepparent or Parent  
112.105 Budgeting Unearned Income  
112.106 Application And/Or Date Of Decision  
112.107 Initial Receipt of Unearned Income  
112.108 Termination of Unearned Income  
112.110 Exempt Unearned Income  
112.115 Education Benefits  
112.120 Incentive Allowances  
112.125 Unearned Income In-Kind  
112.126 Earmarked Income  
112.127 Lump-Sum Payments  
112.128 Protected Income (Repealed)  
112.130 Earned Income  
112.131 Earned Income Tax Credit

DEPARTMENT OF HUMAN SERVICES  
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112.132 Budgeting Earned Income  
112.133 Budgeting Earned Income of Employed Applicants  
112.134 Initial Employment  
112.135 Budgeting Earned Income For Contractual Employees  
112.136 Budgeting Earned Income For Non-Contractual School Employees  
112.137 Termination of Employment  
112.138 Transitional Payments (Repealed)  
112.140 Exempt Earned Income  
112.141 Earned Income Exemption  
112.142 Exclusion From Earned Income Exemption  
112.143 Recognized Employment Expenses  
112.144 Income from Work-Study and Training Programs  
112.145 Earned Income From Self-Employment  
112.146 Earned Income From Roomer and Boarder  
112.147 Income From Rental Property  
112.148 Payments from the Illinois Department of Children and Family Services  
112.149 Earned Income In-Kind  
112.150 Assets  
112.151 Exempt Assets  
112.152 Asset Disregards  
112.153 Deferral of Consideration of Assets  
112.154 Property Transfers (Repealed)  
112.155 Income Limit

SUBPART H: PAYMENT AMOUNTS

Section  
112.250 Grant Levels  
112.251 Payment Levels  
112.252 Payment Levels in Group I Counties  
112.253 Payment Levels in Group II Counties  
112.254 Payment Levels in Group III Counties  
112.255 Limitation on Amount of TANF Assistance to Recipients from Other States

SUBPART I: OTHER PROVISIONS

Section  
112.300 Persons Who May Be Included in the Assistance Unit  
112.301 Presumptive Eligibility  
112.302 Reporting Requirements for Clients with Earnings  
112.303 Retrospective Budgeting  
112.304 Budgeting Schedule  
112.305 Strikers  
112.306 Foster Care Program  
112.307 Responsibility of Sponsors of Non-Citizens Entering the County Prior to 8/22/96  
112.308 Responsibility of Sponsors of Non-Citizens Entering the Country on or

DEPARTMENT OF HUMAN SERVICES  
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After 8/22/96  
112.309 Institutional Status  
112.315 Young Parent Program (Renumbered)  
112.320 Redetermination of Eligibility  
112.330 Extension of Medical Assistance Due to Increased Income from Employment  
112.331 Four Month Extension of Medical Assistance Due to Child Support Collections  
112.332 Extension of Medical Assistance Due to Loss of Earned Income Disregard (Repealed)  
112.340 New Start Payments to Individuals Released from Department of Corrections Facilities (Repealed)

SUBPART J: CHILD CARE

Section  
112.350 Child Care (Repealed)  
112.352 Child Care Eligibility (Repealed)  
112.354 Qualified Provider (Repealed)  
112.356 Notification of Available Services (Repealed)  
112.358 Participant Rights and Responsibilities (Repealed)  
112.362 Additional Service to Secure or Maintain Child Care Arrangements (Repealed)  
112.364 Rates of Payment for Child Care (Repealed)  
112.366 Method of Providing Child Care (Repealed)  
112.370 Non-JOBS Education and Training Program (Repealed)

SUBPART K: TRANSITIONAL CHILD CARE

Section  
112.400 Transitional Child Care Eligibility (Repealed)  
112.404 Duration of Eligibility for Transitional Child Care (Repealed)  
112.406 Loss of Eligibility for Transitional Child Care (Repealed)  
112.408 Qualified Child Care Providers (Repealed)  
112.410 Notification of Available Services (Repealed)  
112.412 Participant Rights and Responsibilities (Repealed)  
112.414 Child Care Overpayments and Recoveries (Repealed)  
112.416 Fees for Service for Transitional Child Care (Repealed)  
112.418 Rates of Payment for Transitional Child Care (Repealed)

AUTHORITY: Implementing Article IV and authorized by Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Art. IV and 12-13].

SOURCE: Filed effective December 30, 1977; peremptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; peremptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; peremptory amendment at 2 Ill.

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## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

Reg. 46, p. 56, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. Reg. 33, p. 399, effective August 18, 1979; amended at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979; peremptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; peremptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; amended at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 722, effective effective January 26, 1981; peremptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981; amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041, effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; peremptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; peremptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10124, 10119, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10131, effective effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective effective October 1, 1981; amended at 5 Ill. Reg. 11647, effective October 1, 1981; peremptory amendment at 6 Ill. Reg. 611, effective January 1, 1982; amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; peremptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; peremptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; peremptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, effective August 26, 1982; amended at 6 Ill. Reg. 11293, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 11, 1983; rules repealed and new rules adopted and codified at 7 Ill. Reg. 2720, effective February 28, 1983; amended (by adding Sections being codified with no substantive change) at

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

7 Ill. Reg. 5195; amended at 7 Ill. Reg. 11284, effective August 26, 1983; amended at 7 Ill. Reg. 13920, effective October 7, 1983; amended at 7 Ill. Reg. 15690, effective November 9, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 16105; amended at 7 Ill. Reg. 17344, effective December 21, 1983; amended at 8 Ill. Reg. 213, effective December 27, 1983; emergency amendment at 8 Ill. Reg. 569, effective January 1, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 4176, effective March 19, 1984; amended at 8 Ill. Reg. 5207, effective April 9, 1984; amended at 8 Ill. Reg. 7226, effective May 16, 1984; amended at 8 Ill. Reg. 11391, effective June 27, 1984; amended at 8 Ill. Reg. 12333, effective June 29, 1984; amended (by adding Sections being codified with no substantive change) at 8 Ill. Reg. 17894; peremptory amendment at 8 Ill. Reg. 18127, effective October 1, 1984; peremptory amendment at 8 Ill. Reg. 19889, effective October 1, 1984; amended at 8 Ill. Reg. 19983, effective October 3, 1984; emergency amendment at 8 Ill. Reg. 21666, effective October 19, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 21621, effective October 23, 1984; amended at 8 Ill. Reg. 25029, effective December 19, 1984; amended at 9 Ill. Reg. 282, effective January 1, 1985; amended at 9 Ill. Reg. 4062, effective March 15, 1985; amended at 9 Ill. Reg. 8155, effective May 17, 1985; emergency amendment at 9 Ill. Reg. 10094, effective June 19, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 11317, effective July 5, 1985; amended at 9 Ill. Reg. 12795, effective August 9, 1985; amended at 9 Ill. Reg. 15887, effective October 4, 1985; amended at 9 Ill. Reg. 16277, effective October 11, 1985; amended at 9 Ill. Reg. 17827, effective November 18, 1985; emergency amendment at 10 Ill. Reg. 354, effective effective January 10, 1986; amended at 10 Ill. Reg. 3641, effective January 30, 1986; amended at 10 Ill. Reg. 4885, effective March 7, 1986; amended at 10 Ill. Reg. 8118, effective May 1, 1986; amended at 10 Ill. Reg. 10628, effective June 1, 1986; amended at 10 Ill. Reg. 11017, effective June 6, 1986; Sections 112-78 through 112-86 and 112-88 recodified to 89 Ill. Reg. 12107, effective July 1, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 12650, effective July 14, 1986; amended at 10 Ill. Reg. 14681, effective August 29, 1986; amended at 10 Ill. Reg. 15621, effective September 5, 1986; amended at 10 Ill. Reg. 21860, effective December effective September 19, 1986; amended at 10 Ill. Reg. 21860, effective December 12, 1986; amended at 11 Ill. Reg. 2280, effective January 16, 1987; amended at 11 Ill. Reg. 3140, effective January 30, 1987; amended at 11 Ill. Reg. 4682, effective March 6, 1987; amended at 11 Ill. Reg. 5223, effective March 11, 1987; amended at 11 Ill. Reg. 6228, effective March 20, 1987; amended at 11 Ill. Reg. 9227, effective May 15, 1987; amended at 11 Ill. Reg. 12003, effective November 1, 1987; emergency amendment at 11 Ill. Reg. 12432, effective July 30, 1987; emergency amendment at 11 Ill. Reg. 12908, effective July 30, 1987; emergency amendment at 11 Ill. Reg. 12935, effective August 1, 1987; for a maximum of 150 days; amended at 11 Ill. Reg. 13625, effective August 1, 1987; amended at 11 Ill. Reg. 14755, effective August 26, 1987; amended at 11 Ill. Reg. 18679, effective November 1, 1987; emergency amendment at 11 Ill. Reg. 18781, effective November 1, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20114, effective December 4, 1987;



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Sections 112.90 and 112.95 recodified to Sections 112.52 and 112.54 at 11 Ill. Reg. 20610; amended at 11 Ill. Reg. 20889, effective December 14, 1987; amended at 12 Ill. Reg. 844, effective January 1, 1988; emergency amendment at 12 Ill. Reg. 1929, effective January 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 2126, effective January 12, 1988; SUBPARTS C, D and E recodified to SUBPARTS G, H and I at 12 Ill. Reg. 2136; amended at 12 Ill. Reg. 3487, effective January 22, 1988; amended at 12 Ill. Reg. 6159, effective March 18, 1988; amended at 12 Ill. Reg. 6694, effective March 22, 1988; amended at 12 Ill. Reg. 7336, effective May 1, 1983; amended at 12 Ill. Reg. 7673, effective April 20, 1988; amended at 12 Ill. Reg. 9032, effective May 20, 1988; amended at 12 Ill. Reg. 10481, effective June 13, 1988; amended at 12 Ill. Reg. 14172, effective August 30, 1988; amended at 12 Ill. Reg. 14669, effective September 16, 1988; amended at 13 Ill. Reg. 70, effective January 1, 1989; amended at 13 Ill. Reg. 6017, effective April 14, 1989; amended at 13 Ill. Reg. 8567, effective May 22, 1989; amended at 13 Ill. Reg. 16006, effective October 6, 1989; emergency amendment at 13 Ill. Reg. 16142, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 14 Ill. Reg. 705, effective January 1, 1990; amended at 14 Ill. Reg. 3170, effective February 13, 1990; amended at 14 Ill. Reg. 3575, effective February 23, 1990; amended at 14 Ill. Reg. 6306, effective April 16, 1990; amended at 14 Ill. Reg. 10379, effective June 20, 1990; amended at 14 Ill. Reg. 13652, effective August 10, 1990; amended at 14 Ill. Reg. 14140, effective August 17, 1990; amended at 14 Ill. Reg. 16937, effective September 30, 1990; emergency amendment at 15 Ill. Reg. 338, effective January 1, 1991, for a maximum of 150 days; emergency amendment at 15 Ill. Reg. 2862, effective February 4, 1991, for a maximum of 150 days; emergency expired July 4, 1991; amended at 15 Ill. Reg. 5275, effective April 1, 1991; amended at 15 Ill. Reg. 5684, effective April 10, 1991; amended at 15 Ill. Reg. 11127, effective July 19, 1991; amended at 15 Ill. Reg. 11447, effective July 25, 1991; amended at 15 Ill. Reg. 14227, effective September 30, 1991; amended at 15 Ill. Reg. 17308, effective November 18, 1991; amended at 16 Ill. Reg. 9972, effective June 15, 1992; amended at 16 Ill. Reg. 11550, effective July 15, 1992; emergency amendment at 16 Ill. Reg. 11652, effective July 1, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 13629, effective September 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 17724, effective November 9, 1992; amended at 16 Ill. Reg. 20147, effective December 14, 1992; amended at 17 Ill. Reg. 357, effective December 24, 1992; amended at 17 Ill. Reg. 813, effective January 15, 1993; amended at 17 Ill. Reg. 2253, effective February 15, 1993; amended at 17 Ill. Reg. 4312, effective March 25, 1993; emergency amendment at 17 Ill. Reg. 6325, effective April 9, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 6792, effective April 21, 1993; amended at 17 Ill. Reg. 15017, effective September 3, 1993; amended at 17 Ill. Reg. 19156, effective October 25, 1993; emergency amendment at 17 Ill. Reg. 19696, effective November 1, 1993, for a maximum of 150 days; amended at 18 Ill. Reg. 5909, effective March 31, 1994; amended at 18 Ill. Reg. 6994, effective April 27, 1994; amended at 18 Ill. Reg. 8703, effective June 1, 1994; amended at 18 Ill. Reg. 10774, effective June 27, 1994; amended at 18 Ill. Reg. 12805, effective August 5, 1994; amended at 18 Ill. Reg. 15774, effective October 17, 1994; expedited correction at 19 Ill.

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Reg. 998, effective October 17, 1994; amended at 19 Ill. Reg. 2845, effective February 24, 1995; amended at 19 Ill. Reg. 5609, effective March 31, 1995; amended at 19 Ill. Reg. 7883, effective June 5, 1995; emergency amendment at 19 Ill. Reg. 10206, effective July 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 12011, effective August 7, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 12664, effective September 1, 1995; emergency amendment at 19 Ill. Reg. 15244, effective November 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15661, effective November 3, 1995; emergency amendment at 19 Ill. Reg. 15839, effective November 15, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 16295, effective December 1, 1995, for a maximum of 150 days; amended at 20 Ill. Reg. 845, effective January 1, 1996; amended at 20 Ill. Reg. 3538, effective February 15, 1996; amended at 20 Ill. Reg. 5648, effective March 30, 1996; amended at 20 Ill. Reg. 6018, effective April 12, 1996; amended at 20 Ill. Reg. 6498, effective April 29, 1996; amended at 20 Ill. Reg. 7892, effective June 1, 1996; emergency amendment at 20 Ill. Reg. 12499, effective September 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 14820, effective November 1, 1996; amended at 20 Ill. Reg. 15983, effective December 9, 1996; emergency amendment at 21 Ill. Reg. 662, effective January 1, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 940, effective January 7, 1997; amended at 21 Ill. Reg. 1366, effective January 15, 1997; amended at 21 Ill. Reg. 2655, effective February 7, 1997; amended at 21 Ill. Reg. 7391, effective May 31, 1997; emergency amendment at 21 Ill. Reg. 8426, effective July 1, 1997, for a maximum of 150 days; recodified from the Department of Public Aid to the Department of Human Services at 21 Ill. Reg. 9322; amended at 21 Ill. Reg. 15597, effective November 26, 1997; emergency amendment at 22 Ill. Reg. 4466, effective February 24, 1998, for a maximum of 150 days; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## SUBPART G: FINANCIAL FACTORS OF ELIGIBILITY

## Section 112.110 Exempt Unearned Income

- a) The following unearned income from governmental sources shall be exempt from consideration in determining eligibility and the level of assistance payment:
- 1) The value of the coupon allotment under the Food Stamp Act of 1977 (7 USC 6-S-e 2017(b));
  - 2) The value of the U.S. Department of Agriculture donated foods (surplus commodities);
  - 3) Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 USC 6-S-e-4636);
  - 4) Any funds distributed per capita to or held in trust for members of any Indian Tribe under P.L. 92-254, P.L. 93-134, P.L. 94-114 or P.L. 94-540;
  - 5) Any benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act of 1965, as amended (42 USC



## DEPARTMENT OF HUMAN SERVICES

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- §-S-E 3045 et seq.);
- 6) Any compensation provided to individual volunteers under the Volunteers in Service to America (VISTA) Program (known as Americorps VISTA). Payments made under Americorps State/National programs, funded under the National and Community Service Act of 1993, are not exempt. Stipends or living allowance payments made under this program are considered nonexempt earned income. These payments are subject to the general rules concerning the budgeting of earned income;
  - 7) Income received under the provisions of Section 4(c) of the Senior Citizens and Disabled Persons Property Tax Relief and Pharmaceutical Assistance Act [320 ILCS 25/4]. This includes both the benefits commonly known as the circuit breaker and additional grants;
  - 8) Payments for supporting services or reimbursement for out-of-pocket expenses made to volunteers serving as senior health aides, senior companions, foster grandparents, and persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other programs under Titles II and III, pursuant to Section 418 of P.L. 93-113;
  - 9) Unearned income such as need based payments, cash assistance, compensation in lieu of wages and allowances received through the Jobs Training Partnership Act;
  - 10) Social Security death benefit expended on a funeral and/or burial;
  - 11) The value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended (42 USC §-S-E 1780(b)) and the special food service program for children under the National School Lunch Act, as amended (42 USC §-S-E 1760);
  - 12) Tax exempt portions of payments made pursuant to the Alaska Native Claims Settlement Act (43 USC §-S-E 1626);
  - 13) Payments received under Title I of P.L. 100-383 of the Civil Liberties Act of 1988 (50 USC §-S-E 1989b through 1989b-8);
  - 14) Payments received under Title II of P.L. 100-383 of the Aleutian and Pribilof Islands Restitution Act (50 USC §-S-E 1989c through 1989c-8);
  - 15) Payments made to veterans who receive an annual disability payment or to the survivors of deceased veterans who receive a one-time lump-sum payment from the Agent Orange Settlement Fund or any other fund referencing Agent Orange product liability under P.L. 101-201;
  - 16) Payments received under the federal Radiation Exposure Compensation Act (42 USC §-S-E, 2210 nt);
  - 17) Federal subsidized housing payments under Section 8 of the Housing and Community Development Act (42 USC §-S-E, 1437f);
  - 18) Any adoption subsidy payment or foster care payment received from DCFS or from a state welfare agency of another state are exempt for MAG and MANG. Independent Living Arrangement Payments are not

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- exempt for MAG and MANG;
- 19) Supportive Service payments (Section 112.82);
  - 20) Benefits paid to eligible households under the Low Income Home Energy Assistance Act of 1981 pursuant to Section 2605(f) of P.L. 97-35;
  - 21) Disaster relief payments provided by federal, state or local government or a disaster assistance organization;
  - 22) Any payment provided by the Department of Human Services under the Family Assistance Program for Mentally Disabled Children under P.A. 86-921;
  - 23) GA Emergency Financial Assistance issued through vendor payment. These payments can only be issued once in a twelve-month period to persons who do not currently receive TANF cash assistance;
  - 24) A nonrecurring lump-sum SSI or SSA payment made to an individual in a TANF assistance unit. The nonrecurring SSA lump sum is exempt if it is based on disability. The monthly amount, up to the monthly SSI level for one, is exempt. For those individuals not in a TANF assistance unit whose income is used to determine TANF eligibility for others (for example, stepparents, parents), the lump-sum payment is nonexempt income for the month received;
  - 25) Payments made to individuals because of their status as victims of Nazi persecution pursuant to P.L. 103-286;
  - 26) Payments to a member of the Passamquoddy Indian Tribe, the Penobscot Nation of the Houlton Band of the Maliseet Indians pursuant to the Maine Indian Claims Settlement Act of 1980;
  - 27) Up to \$2000 per year of income received by individual Indians, which is derived from leases or other uses of individually-owned trust or restricted lands pursuant to Section 13736 of P.L. 103-66; and
  - 28) Payments based on disability status are disregarded in an amount up to the Supplemental Security Income (SSI) payment level for one person with no income. This disregard applies to disability benefits from Social Security (including SSI), Railroad Retirement Disability, Department of Veterans' Affairs (100% disability only) and Black Lung.
- b) In addition to the above, the following unearned income from non-governmental sources shall be exempt from consideration in determining eligibility and the level of assistance payment:
- 1) Inconsequential income, which is defined as gifts, prizes or other unearned income (excluding those unearned income items referenced in subsections (a)(1) through (a)(28) described in other provisions of the Section) of up to \$50 per person per quarter;
  - 2) The value of home produce which is used for personal consumption;
  - 3) Child support payments made to an assistance unit by the Department which represents the first \$50 or any lesser amount of support collected in a month;
  - 4) Two dollars of every \$3 of excess child support distributed by

## DEPARTMENT OF HUMAN SERVICES

## NOTICE OF PROPOSED AMENDMENTS

the child support agency to a family with earnings budgeted. This includes the wage supplementation programs of On-the-Job Training, Job Corps, Americorps VISTA, and work study;

5) Payments from the principal or trust of a trust fund made to or on behalf of a dependent child when the court orders the money released for a specific purpose other than the income maintenance needs of the child;

6) Earmarked child support payments received by the client for the support of a child not included in the assistance unit; and

7) Cash which is exchanged for purposes of satisfying payment of shelter-related obligations in situations where the assistance unit shares a dwelling unit with another family, individual or individuals. The money is not available to meet the needs of the party who received and disburses the shelter-related payment; and,

8) Employment-related reimbursements for past or future expenses to the extent that they do not exceed actual expenses incurred and do not represent a gain or benefit to the client.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Insurance Cost Containment Annual Fee
- 2) Code Citation: 50 Ill. Adm. Code 4201
- 3) Section Numbers: Proposed Action:  
4201.10 Amendment  
4201.20 Repealed  
Illustration A
- 4) Statutory Authority: Implementing and authorized by Article XLII of the Illinois Insurance Cost Containment Act [215 ILCS 5/Art. XLII] and authorized by Section 401 of the Illinois Insurance Code [215 ILCS 5/401].

5) A Complete Description of the Subjects and Issues Involved: The Department is amending this Part in order to reflect an increase in the annual fee paid by all insurers who write property and casualty insurance in Illinois. The payment of annual fees is statutorily authorized by Section 1206 of the Illinois Insurance Code [215 ILCS 5/1206] and will be calculated pursuant to Section 4201.20 of this Part.

Amendments are also being made that will add two new categories of direct written premiums to the total premium volume that is used to determine a company's annual fee. Additional amendments to this Part are being made to reflect the implementation of a billing program that allows the Department to calculate a company's annual fee and subsequently send a bill to the company for payment. This new system will allow the Department to initiate an efficient billing process for the annual fee to companies in a timely manner and on a comprehensive basis.

- 6) Will this proposed amendment replace an emergency rule currently in effect? No
- 7) Does this amendment contain an automatic repeal date? No
- 8) Does this proposed amendment contain incorporations by reference? No
- 9) Are there any other proposed amendments pending on this Part? No
- 10) Statement of Statewide Policy Objectives: These amendments will not require a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.
- 11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to comment on this proposed rulemaking may submit written comments no later than 45 days after the publication of this Notice to:

Chicago Kent Law

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

James Rundblom  
Staff Attorney  
Department of Insurance  
320 West Washington  
Springfield IL 62767  
217-785-8559

Mary Meyer  
Paralegal  
Department of Insurance  
320 West Washington  
Springfield IL 62767  
217-785-8220

12) Initial Regulatory Flexibility Analysis:

A) Types of small businesses, small municipalities and not for profit corporations affected: None

B) Reporting, bookkeeping or other procedures required for compliance:  
None

C) Types of professional skills necessary for compliance: None

13) Regulatory Agenda on which this rulemaking was summarized: This rulemaking was not included on either of the two most recent agendas because the changes were not anticipated at the time the regulatory agendas were prepared.

The full text of the Proposed Amendment begins on the next page:

## DEPARTMENT OF INSURANCE

## NOTICE OF PROPOSED AMENDMENTS

TITLE 50: INSURANCE  
CHAPTER I: DEPARTMENT OF INSURANCE  
SUBCHAPTER vv: INSURANCE COST CONTAINMENT  
  
PART 4201  
INSURANCE COST CONTAINMENT ANNUAL FEE

## Section

4201.10 Purpose and Scope

4201.20 Annual Fee

ILLUSTRATION A Insurance Cost Containment Annual Fee Worksheet (Repealed)

AUTHORITY: Implementing and authorized by the Illinois Insurance Cost Containment Act (Article XLII of the Illinois Insurance Code) [215 ILCS 5/Art. XLII].

SOURCE: Adopted at 11 Ill. Reg. 9622, effective May 1, 1987; recodified from Part 6601 to Part 4201 at 20 Ill. Reg. 6592; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## Section 4201.10 Purpose and Scope

The ~~it is~~ purpose of this Part ~~is~~ to implement Article XLII of Illinois Insurance Code by establishing a schedule of reasonable fees to cover the total cost of the Department incident to, or associated with, the administration and enforcement of the Illinois Insurance Cost Containment Act ~~this Article~~, including the collection, analysis and distribution of insurance cost data, the conversion of hard copy reports to diskette ~~tape~~ and the compilation and analysis of basic reports.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.)

## Section 4201.20 Annual Fee

- a) Each insurance company licensed to write property and casualty insurance business in this State shall, on or before June 1 of each year, ~~prior to May 15, 1987, and prior to May 15th of each year thereafter,~~ pay to the Director of Insurance an annual fee in accordance with the following schedule of Illinois premium:

PREMIUM VOLUME	Premium-Volume	Fee
Premium equal to \$0 but less than \$1 million		\$288
Premium equal to or greater than \$1 million but less than \$5 million		\$1,150
Premium equal to or greater than \$5 million but less than \$25 million		\$5,750



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NOTICE OF PROPOSED AMENDMENTS

Premium equal to or greater than \$25 million  
but less than \$50 million \$8,625 7,500  
Premium equal to or greater than \$50 million \$11,500 10,000

- b) The premium volume to be used in determining a company's annual fee shall be the sum of the company's previous year's direct written premium as set forth on lines 5.2, 11, 17, 18, 19.1, 19.2, 19.3, 19.4, 21.1 and 21.2 of the Exhibit of Premiums and Losses on page 14 of the company's Illinois Annual Statement filed with the Department pursuant to Section 136 of the Illinois Insurance Code [215 ILCS 5/136] (41st Rev. Stat., 1905, ch. 73, par. 740).
- c) The Department shall notify by mail each company licensed to write property and casualty insurance business in this State of the amount of its annual fee calculated pursuant to subsection (b) of this Section.
- e) The amount of the annual fee for each category of premium volume set forth in subsection a) above shall increase at the rate of 5% per year for the first three years this part is in force.
- d) All annual fees payable pursuant to this Part shall be due on or before June 1 for the preceding calendar year. Such annual fee shall be made payable to the Director of Insurance/SSRF.
- d) The company shall calculate its annual fee in the format and contain the information as specified in illustration A. The company shall submit a copy of this calculation with the Department in conjunction with the submission of its annual fee.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

DEPARTMENT OF INSURANCE

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Section 4201. ILLUSTRATION A Insurance Cost Containment Annual Fee Worksheet (Repealed)

Insurance-Cost-Containment Annual-Fee-Worksheet		Annual-Statement Page-14	
Lines-of-Business		Direct-Premiums-Written	
Line-11	Medical-malpractice	\$=====	
Line-17	Other-liability	\$=====	
Line-19-1	Private-passenger-auto-no-fault	\$=====	
	(personal-injury-protection)	\$=====	
Line-19-2	Other-private-passenger	\$=====	
	auto-liability	\$=====	
Line-19-3	Commercial-auto-no-fault	\$=====	
	(personal-injury-protection)	\$=====	
Line-19-4	Other-commercial-auto-liability	\$=====	
Line-21-1	Private-passenger	\$=====	
	auto-physical-damage	\$=====	
Line-21-2	Commercial-auto-physical-damage	\$=====	
Sum-of-the-above-lines		\$=====	
(Source: Repealed at 22 Ill. Reg. _____, effective _____)			

DEPARTMENT OF PUBLIC AID  
NOTICE OF PROPOSED AMENDMENTS

Proposed rulemaking: Any interested parties may submit comments, data, views, or arguments concerning this proposed rulemaking. All comments must be in writing and should be addressed to:

Joanne Jones  
Bureau of Rules and Regulations  
Illinois Department of Public Aid  
201 South Grand Ave. E., 3rd Floor  
Springfield, Illinois 62763  
Telephone: 217/524-3215

The Department requests the submission of written comments within 30 days after the publication of this notice. The Department will consider all written comments it receives during the first notice period as required by Section 5-40 of the Illinois Administrative Procedure Act [5 ILCS 100/5-40].

Any interested persons may review these proposed amendments at the Department of Human Services' local offices located in each county (except Cook County). In Cook County, the amendments may be reviewed at the Office of the Director, Illinois Department of Public Aid, 310 South Michigan Avenue, Suite 1700, Chicago, Illinois, and the Office of the Secretary, Illinois Department of Human Services, 401 South Clinton, Chicago, Illinois. The amendments may be reviewed at all offices Monday through Friday from 8:30 A.M. until 5:00 P.M. These copies of the amendments are being made available for review in accordance with federal requirements at 42 CFR 447.205.

These proposed amendments may have an impact on small businesses, small municipalities, and not-for-profit corporations as defined in Sections 1-75, 1-80 and 1-85 of the Illinois Administrative Procedure Act [5 ILCS 100/1-75, 1-80, 1-85]. These entities may submit comments in writing to the Department at the above address in accordance with the regulatory flexibility provisions in Section 5-30 of the Illinois Administrative Procedure Act [5 ILCS 100/5-30]. These entities shall indicate their status as small businesses, small municipalities, or not-for-profit corporations as part of any written comments they submit to the Department.

12) Initial Regulatory Flexibility Analysis:

- A) Types of small businesses, small municipalities and not for profit corporations affected: Encounter rate clinics will be affected by this rulemaking. The Department is unsure whether or not any of the affected entities may qualify as small businesses.
- B) Reporting, bookkeeping or other procedures required for compliance:  
None

DEPARTMENT OF PUBLIC AID  
NOTICE OF PROPOSED AMENDMENTS

- 1) Heading of the Part: Medical Payment

- 2) Code Citation: 89 Ill. Adm. Code 140

- 3) Section Numbers: Proposed Action:  
140.461 Amendment  
140.463 Amendment

- 4) Statutory Authority: Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/12-13]

- 5) Complete Description of the Subjects and Issues Involved: The Department is proposing amendments to the administrative rules concerning clinic services to provide reimbursement changes for encounter rate clinics. These changes are necessary to ensure access to essential prenatal and infant health care services for Medical Assistance clients. The changes also allow the Cook County Department of Public Health the flexibility of receiving encounter rates, rather than fee-for-service rates, for certain clinics.

These proposed changes are being made in connection with a request of the Cook County Bureau of Health Services. A recommendation was also provided by the Infant Welfare Society that provides free comprehensive health services to pregnant women and infants who do not have health insurance.

The Department also intends to follow these proposed amendments with an emergency rulemaking, to be effective July 1, 1998, concerning rate provisions for encounter rate clinics.

The Department anticipates that these proposed amendments will result in an annual budgetary increase of approximately \$75,000.

- 6) Will these proposed amendments replace emergency amendments currently in effect? No

- 7) Does this rulemaking contain an automatic repeal date? No

- 8) Do these proposed amendments contain incorporations by reference? No

- 9) Are there any other proposed amendments pending on this Part? Yes

Section Numbers Proposed Action Illinois Register Citation  
140.451 New Section 22 Ill. Reg. 7534

- 10) Statement of Statewide Policy Objectives: These proposed amendments affect clinics operated by Cook County.

- 11) Time, Place, and Manner in which Interested Persons may comment on this

DEPARTMENT OF PUBLIC AID  
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- C) Types of professional skills necessary for compliance: None
- 13) Regulatory Agenda on which this rulemaking was summarized: This rule was not included on either of the 2 most recent agendas because: This rulemaking was not anticipated by the Department when the two most recent regulatory agendas were published.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF PUBLIC AID  
NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES  
CHAPTER I: DEPARTMENT OF PUBLIC AID  
SUBCHAPTER d: MEDICAL PROGRAMS

PART 140  
MEDICAL PAYMENT

SUBPART A: GENERAL PROVISIONS

Section	
140.1	Incorporation By Reference
140.2	Medical Assistance Programs
140.3	Covered Services Under Medical Assistance Programs
140.4	Covered Medical Services Under AFDC-MANG for non-pregnant persons who are 18 years of age or older (Repealed)
140.5	Covered Medical Services Under General Assistance
140.6	Medical Services Not Covered
140.7	Medical Assistance Provided to Individuals Under the Age of Eighteen Who Do Not Qualify for AFDC and Children Under Age Eight
140.8	Medical Assistance For Qualified Severely Impaired Individuals
140.9	Medical Assistance for a Pregnant Woman Who Would Not Be Categorically Eligible for AFDC/AFDC-MANG if the Child Were Already Born Or Who Do Not Qualify As Mandatory Categorically Needy
140.10	Medical Assistance Provided to Incarcerated Persons

SUBPART B: MEDICAL PROVIDER PARTICIPATION

Section	
140.11	Enrollment Conditions for Medical Providers
140.12	Participation Requirements for Medical Providers
140.13	Definitions
140.14	Denial of Application to Participate in the Medical Assistance Program
140.15	Recovery of Money
140.16	Termination or Suspension of a Vendor's Eligibility to Participate in the Medical Assistance Program
140.17	Suspension of a Vendor's Eligibility to Participate in the Medical Assistance Program
140.18	Effect of Termination on Individuals Associated with Vendor
140.19	Application to Participate or for Reinstatement Subsequent to Termination, Suspension or Barring
140.20	Submittal of Claims
140.21	Covered Medicaid Services for Qualified Medicare Beneficiaries (QMBs)
140.22	Magnetic Tape Billings
140.23	Payment of Claims
140.24	Payment Procedures
140.25	Overpayment or Underpayment of Claims
140.26	Payment to Factors Prohibited



DEPARTMENT OF PUBLIC AID  
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140.27 Assignment of Vendor Payments  
140.28 Record Requirements for Medical Providers  
140.30 Audits  
140.31 Emergency Services Audits  
140.32 Prohibition on Participation, and Special Permission for Participation  
140.33 Publication of List of Terminated, Suspended or Barred Entities  
140.35 False Reporting and Other Fraudulent Activities  
140.40 Prior Approval for Medical Services or Items  
140.41 Prior Approval in Cases of Emergency  
140.42 Limitation on Prior Approval  
140.43 Post Approval for Items or Services When Prior Approval Cannot Be Obtained  
140.55 Recipient Eligibility Verification (REV) System  
140.71 Reimbursement for Medical Services Through the Use of a C-13 Invoice  
140.72 Voucher Advance Payment and Expedited Payments  
140.73 Drug Manual (Recodified)  
Drug Manual Updates (Recodified)

SUBPART C: PROVIDER ASSESSMENTS

Section  
140.80 Hospital Provider Fund  
140.82 Developmentally Disabled Care Provider Fund  
140.84 Long Term Care Provider Fund  
140.94 Medicaid Developmentally Disabled Provider Participation Fee Trust Fund/Medicaid Long Term Care Provider Participation Fee Trust Fund  
140.95 Hospital Services Trust Fund  
140.96 General Requirements (Recodified)  
140.97 Special Requirements (Recodified)  
140.98 Covered Hospital Services (Recodified)  
140.99 Hospital Services Not Covered (Recodified)  
140.100 Limitation on Hospital Services (Recodified)  
140.101 Transplants (Recodified)  
140.102 Heart Transplants (Recodified)  
140.103 Liver Transplants (Recodified)  
140.104 Bone Marrow Transplants (Recodified)  
140.110 Disproportionate Share Hospital Adjustments (Recodified)  
140.116 Payment for Inpatient Services for GA (Recodified)  
140.117 Hospital Outpatient and Clinic Services (Recodified)  
140.200 Payment for Hospital Services During Fiscal Year 1982 (Recodified)  
140.201 Payment for Hospital Services After June 30, 1982 (Repealed)  
140.202 Payment for Hospital Services During Fiscal Year 1983 (Recodified)  
140.203 Limits on Length of Stay by Diagnosis (Recodified)  
140.300 Payment for Pre-operative Days and Services Which Can Be Performed in an Outpatient Setting (Recodified)  
140.350 Copayments (Recodified)  
140.360 Payment Methodology (Recodified)

DEPARTMENT OF PUBLIC AID

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140.361 Non-Participating Hospitals (Recodified)  
140.362 Pre July 1, 1989 Services (Recodified)  
140.363 Post June 30, 1989 Services (Recodified)  
140.364 Prepayment Review (Recodified)  
140.365 Base Year Costs (Recodified)  
140.366 Restructuring Adjustment (Recodified)  
140.367 Inflation Adjustment (Recodified)  
140.368 Volume Adjustment (Repealed)  
140.369 Groupings (Recodified)  
140.370 Rate Calculation (Recodified)  
140.371 Payment (Recodified)  
140.372 Review Procedure (Recodified)  
140.373 Utilization (Repealed)  
140.374 Alternatives (Recodified)  
140.375 Exemptions (Recodified)  
140.376 Utilization, Case-Mix and Discretionary Funds (Repealed)  
140.390 Subacute Alcoholism and Substance Abuse Services (Recodified)  
140.391 Definitions (Recodified)  
140.392 Types of Subacute Alcoholism and Substance Abuse Services (Recodified)  
140.394 Payment for Subacute Alcoholism and Substance Abuse Services (Recodified)  
140.396 Rate Appeals for Subacute Alcoholism and Substance Abuse Services (Recodified)  
140.398 Hearings (Recodified)

SUBPART D: PAYMENT FOR NON-INSTITUTIONAL SERVICES

Section  
140.400 Payment to Practitioners, Nurses and Laboratories  
140.410 Physicians' Services  
140.411 Covered Services By Physicians  
140.412 Services Not Covered By Physicians  
140.413 Limitation on Physician Services  
140.414 Requirements for Prescriptions and Dispensing of Pharmacy Items - Physicians  
140.416 Optometric Services and Materials  
140.417 Limitations on Optometric Services  
140.418 Department of Corrections Laboratory  
140.420 Dental Services  
140.421 Limitations on Dental Services  
140.422 Requirements for Prescriptions and Dispensing Items - Dentists  
140.425 Podiatry Services  
140.426 Limitations on Podiatry Services  
140.427 Requirement for Prescriptions and Dispensing Items - Podiatry  
140.428 Chiropractic Services

## DEPARTMENT OF PUBLIC AID

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140.429	Limitations on Chiropractic Services (Repealed)
140.430	Independent Laboratory Services
140.431	Services Not Covered by Independent Laboratory
140.432	Limitations on Independent Laboratory Services
140.433	Payment for Laboratory Services
140.434	Record Requirements for Independent Laboratories
140.435	Nurse Services
140.436	Limitations on Nurse Services
140.440	Pharmacy Services
140.441	Pharmacy Services Not Covered
140.442	Prior Approval of Prescriptions
140.443	Filling of Prescriptions
140.444	Compounded Prescriptions
140.445	Legend Prescription Items (Not Compounded)
140.446	Over-the-Counter Items
140.447	Reimbursement
140.448	Returned Pharmacy Items
140.449	Payment of Pharmacy Items
140.450	Record Requirements for Pharmacies
140.452	Mental Health Clinic Services
140.453	Definitions
140.454	Types of Mental Health Clinic Services
140.455	Payment for Mental Health Clinic Services
140.456	Hearings
140.457	Therapy Services
140.458	Prior Approval for Therapy Services
140.459	Payment for Therapy Services
140.460	Clinic Services
140.461	Clinic Participation, Data and Certification Requirements
140.462	Covered Services in Clinics
140.463	Clinic Service Payment
140.464	Healthy Moms/Healthy Kids Managed Care Clinics (Repealed)
140.465	Speech and Hearing Clinics (Repealed)
140.466	Rural Health Clinics
140.467	Independent Clinics
140.469	Hospice
140.470	Home Health Services
140.471	Home Health Covered Services
140.472	Types of Home Health Services
140.473	Prior Approval for Home Health Services
140.474	Payment for Home Health Services
140.475	Medical Equipment, Supplies and Prosthetic Devices
140.476	Medical Equipment, Supplies and Prosthetic Devices for Which Payment Will Not Be Made
140.477	Limitations on Equipment, Supplies and Prosthetic Devices
140.478	Prior Approval for Medical Equipment, Supplies and Prosthetic Devices
140.479	Limitations, Medical Supplies
140.480	Equipment Rental Limitations

## DEPARTMENT OF PUBLIC AID

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140.481	Payment for Medical Equipment, Supplies and Prosthetic Devices
140.482	Family Planning Services
140.483	Limitations on Family Planning Services
140.484	Payment for Family Planning Services
140.485	Healthy Kids Program
140.486	Limitations on Medichex Services (Repealed)
140.487	Healthy Kids Program Timeliness Standards
140.488	Periodicity Schedule, Immunizations and Diagnostic Laboratory Procedures
140.490	Medical Transportation
140.491	Limitations on Medical Transportation
140.492	Payment for Medical Transportation
140.493	Payment for Helicopter Transportation
140.495	Psychological Services
140.496	Payment for Psychological Services
140.497	Hearing Aids
SUBPART E: GROUP CARE	
Section	
140.500	Long Term Care Services
140.502	Cessation of Payment at Federal Direction
140.503	Cessation of Payment for Improper Level of Care
140.504	Cessation of Payment Because of Termination of Facility
140.505	Continuation of Payment Because of Threat To Life (Repealed)
140.506	Provider Voluntary Withdrawal
140.507	Continuation of Provider Agreement
140.510	Determination of Need for Group Care
140.511	Long Term Care Services Covered by Department Payment
140.512	Utilization Control
140.513	Utilization Review Plan (Repealed)
140.514	Certifications and Recertifications of Care
140.515	Management of Recipient Funds--Personal Allowance Funds
140.516	Recipient Management of Funds
140.517	Correspondent Management of Funds
140.518	Facility Management of Funds
140.519	Use or Accumulation of Funds
140.520	Management of Recipient Funds--Local Office Responsibility
140.521	Room and Board Accounts
140.522	Reconciliation of Recipient Funds
140.523	Bed Reserves
140.524	Cessation of Payment Due to Loss of License
140.525	Quality Incentive Program (QUIP) Payment Levels
140.526	Quality Incentive Standards and Criteria for the Quality Incentive Program (QUIP) (Repealed)
140.527	Quality Incentive Survey (Repealed)
140.528	Payment of Quality Incentive (Repealed)
140.529	Reviews (Repealed)

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Illinois Municipal Retirement Fund (IMRF)  
Audit and Record Requirements  
Screening Assessment for Nursing Facility and Alternative Residential Settings and Services  
In-Home Care Program  
Home and Community Based Services Waivers for Medically Fragile, Technology Dependent, Disabled Persons Under Age 21  
Reimbursement for Developmental Training (DT) Services for Individuals with Developmental Disabilities who Reside in Long Term Care (ICF AND SNF) and Residential (ICF/MR) Facilities  
Description of Developmental Training (DT) Services  
Determination of the Amount of Reimbursement for Developmental Training (DT) Programs  
Effective Dates of Reimbursement for Developmental Training (DT) Programs  
Certification of Developmental Training (DT) Programs  
Decertification of Day Programs  
Terms of Assurances and Contracts  
Effective Date Of Payment Rate  
Discharge of Long Term Care Residents  
Appeals of Rate Determinations  
Determination of Cap on Payments for Long Term Care (Proposed)

SUBPART F: MEDICAID PARTNERSHIP PROGRAM

General Description (Repealed)  
Definition of Terms (Repealed)  
Covered Services (Repealed)  
Sponsor Qualifications (Repealed)  
Sponsor Responsibilities (Repealed)  
Department Responsibilities (Repealed)  
Provider Qualifications (Repealed)  
Payment Methodology (Repealed)  
Contract Monitoring (Repealed)  
Reimbursement For Program Costs (Active Treatment) For Clients In Long Term Care Facilities For the Developmentally Disabled (Recodified)  
Reimbursement For Nursing Costs For Geriatric Residents in Group Care Facilities (Recodified)  
Functional Areas of Needs (Recodified)  
Service Needs (Recodified)  
Definitions (Recodified)  
Times and Staff Levels (Repealed)  
Statewide Rates (Repealed)  
Reconsiderations (Recodified)  
Midnight Census Report (Recodified)

DEPARTMENT OF PUBLIC AID  
NOTICE OF PROPOSED AMENDMENTS

Basis of Payment for Long Term Care Services  
General Service Costs  
Health Care Costs  
General Administration Costs  
Ownership Costs  
Costs for Interest, Taxes and Rent  
Organization and Pre-Operating Costs  
Payments to Related Organizations  
Special Costs  
Reimbursement for Basic Nursing Assistant, Developmental Disabilities Aide, Basic Child Care Aide and Habilitation Aide Training and Nursing Assistant Competency Evaluation  
Costs Associated With Nursing Home Care Reform Act and Implementing Regulations  
Salaries Paid to Owners or Related Parties  
Cost Reports-Filing Requirements  
Time Standards for Filing Cost Reports  
Access to Cost Reports (Repealed)  
Penalty for Failure to File Cost Reports  
Update of Operating Costs  
General Service Costs  
Nursing and Program Costs  
General Administrative Costs  
Component Inflation Index  
Minimum Wage  
Components of the Base Rate Determination  
Support Costs Components  
Nursing Costs  
Capital Costs  
Kosher Kitchen Reimbursement  
Out-of-State Placement  
Level II Incentive Payments (Repealed)  
Duration of Incentive Payments (Repealed)  
Clients With Exceptional Care Needs  
Capital Rate Component Determination  
Capital Rate Calculation  
Total Capital Rate  
Other Capital Provisions  
Capital Rates for Rented Facilities  
Newly Constructed Facilities (Repealed)  
Renovations (Repealed)  
Capital Costs for Rented Facilities (Renumbered)  
Property Taxes  
Specialized Living Centers  
Mandated Capital Improvements (Repealed)  
Qualifying as Mandated Capital Improvement (Repealed)  
Cost Adjustments  
Campus Facilities



## DEPARTMENT OF PUBLIC AID

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140.908 Times and Staff Levels (Recodified)  
140.909 Statewide Rates (Recodified)  
140.910 Referrals (Recodified)  
140.911 Basic Rehabilitation Aide Training Program (Recodified)  
140.912 Interim Nursing Rates (Recodified)

## SUBPART G: MATERNAL AND CHILD HEALTH PROGRAM

Section  
140.920 General Description  
140.922 Covered Services  
140.924 Maternal and Child Health Provider Participation Requirements  
140.926 Client Eligibility (Repealed)  
140.928 Client Enrollment and Program Components (Repealed)  
140.930 Reimbursement  
140.932 Payment Authorization for Referrals (Repealed)

## SUBPART H: ILLINOIS COMPETITIVE ACCESS AND REIMBURSEMENT EQUITY (ICARE) PROGRAM

Section  
140.940 Illinois Competitive Access and Reimbursement Equity (ICARE) Program (Recodified)  
140.942 Definition of Terms (Recodified)  
140.944 Notification of Negotiations (Recodified)  
140.946 Hospital Participation in ICARE Program Negotiations (Recodified)  
140.948 Negotiation Procedures (Recodified)  
140.950 Factors Considered in Awarding ICARE Contracts (Recodified)  
140.952 Closing an ICARE Area (Recodified)  
140.954 Administrative Review (Recodified)  
140.956 Payments to Contracting Hospitals (Recodified)  
140.958 Admitting and Clinical Privileges (Recodified)  
140.960 Inpatient Hospital Care or Services by Non-Contracting Hospitals Eligible for Payment (Recodified)  
140.962 Payment to Hospitals for Inpatient Services or Care not Provided under the ICARE Program (Recodified)  
140.964 Contract Monitoring (Recodified)  
140.966 Transfer of Recipients (Recodified)  
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AUTHORITY: Implementing Article III of the Illinois Health Finance Reform Act [20 ILCS 2215/Art. III] and implementing and authorized by Articles III, IV, V, VI and Section 12-13 of the Illinois Public Aid Code [305 ILCS 5/Arts. III, IV, V, VI and 12-13].

SOURCE: Adopted at 3 Ill. Reg. 24, p. 166, effective June 10, 1979; rule repealed and new rule adopted at 6 Ill. Reg. 8374, effective July 6, 1982; emergency amendment at 6 Ill. Reg. 8508, effective July 6, 1982, for a maximum of 150 days; amended at 7 Ill. Reg. 681, effective December 30, 1982; amended at 7 Ill. Reg. 7956, effective July 1, 1983; amended at 7 Ill. Reg. 8308, effective July 1, 1983; amended at 7 Ill. Reg. 8271, effective July 5, 1983; emergency amendment at 7 Ill. Reg. 8354, effective July 5, 1983, for a maximum of 150 days; amended at 7 Ill. Reg. 8540, effective July 15, 1983; amended at 7 Ill. Reg. 9382, effective July 22, 1983; amended at 7 Ill. Reg. 12868, effective September 20, 1983; peremptory amendment at 7 Ill. Reg. 15047, effective October 31, 1983; amended at 7 Ill. Reg. 17358, effective December 21, 1983; amended at 8 Ill. Reg. 254, effective January 1, 1984, for a maximum of 150 days; codified at 8 Ill. Reg. 2483; amended at 8 Ill. Reg. 3012, effective February 22, 1984; amended at 8 Ill. Reg. 5262, effective April 9, 1984; amended at 8 Ill. Reg. 6785, effective April 27, 1984; amended at 8 Ill. Reg. 6983, effective May 9, 1984; amended at 8 Ill. Reg. 7258, effective May 16, 1984; emergency amendment at 8 Ill. Reg. 7910, effective June 1, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 7910, effective June 1, 1984; amended at 8 Ill. Reg. 10032, effective June 18, 1984; emergency amendment at 8 Ill. Reg. 10062, effective June 20, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 13343, effective July 17, 1984; amended at 8 Ill. Reg. 13779, effective July 24, 1984; Sections 140.72 and 140.73 recodified to 89 Ill. Adm. Code 141 at 8 Ill. Reg. 16354; amended (by adding sections being codified with no substantive change) at 8 Ill. Reg. 17899; peremptory amendment at 8 Ill. Reg. 18151, effective September 18, 1984; amended at 8 Ill. Reg. 21629, effective October 19, 1984; peremptory amendment at 8 Ill. Reg. 21677, effective October 24, 1984; amended at 8 Ill. Reg. 22097, effective October 24, 1984; peremptory amendment at 8 Ill. Reg. 22155, effective October 29, 1984; amended at 8 Ill. Reg. 23218, effective November 20, 1984; emergency amendment at 8 Ill. Reg. 23721, effective November 21, 1984, for a maximum of 150 days; amended at 8 Ill. Reg. 25067, effective December 19, 1984; emergency amendment at 9 Ill. Reg. 407, effective January 1, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 2697, effective February 22, 1985; amended at 9 Ill.

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at 12 Ill. Reg. 10497, effective June 3, 1988; amended at 12 Ill. Reg. 10717, effective June 14, 1988; emergency amendment at 12 Ill. Reg. 11868, effective July 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 12509, effective July 15, 1988; amended at 12 Ill. Reg. 14271, effective August 29, 1988; emergency amendment at 12 Ill. Reg. 16921, effective September 28, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 16738, effective October 5, 1988; amended at 12 Ill. Reg. 17879, effective October 24, 1988; amended at 12 Ill. Reg. 18198, effective November 4, 1988; amended at 12 Ill. Reg. 19396, effective November 6, 1988; amended at 12 Ill. Reg. 19734, effective November 15, 1988; amended at 13 Ill. Reg. 125, effective January 1, 1989; amended at 13 Ill. Reg. 2475, effective February 14, 1989; amended at 13 Ill. Reg. 3069, effective February 28, 1989; amended at 13 Ill. Reg. 3351, effective March 6, 1989; amended at 13 Ill. Reg. 3917, effective March 17, 1989; amended at 13 Ill. Reg. 5115, effective April 3, 1989; amended at 13 Ill. Reg. 5718, effective April 10, 1989; amended at 13 Ill. Reg. 7025, effective April 24, 1989; Sections 140.850 thru 140.896 recodified to 89 Ill. Adm. Code 146.5 thru 146.225 at 13 Ill. Reg. 7040; amended at 13 Ill. Reg. 7786, effective May 20, 1989; Sections 140.94 thru 140.398 recodified to 89 Ill. Adm. Code 148.10 thru 148.390 at 13 Ill. Reg. 9572; emergency amendment at 13 Ill. Reg. 10977, effective July 1, 1989, for a maximum of 150 days; emergency expired November 28, 1989; amended at 13 Ill. Reg. 11516, effective July 3, 1989; amended at 13 Ill. Reg. 12119, effective July 7, 1989; Section 140.110 recodified to 89 Ill. Adm. Code 148.120 at 13 Ill. Reg. 12118; amended at 13 Ill. Reg. 12562, effective July 17, 1989; amended at 13 Ill. Reg. 14391, effective August 31, 1989; emergency amendment at 13 Ill. Reg. 15473, effective September 12, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 16992, effective October 16, 1989; amended at 14 Ill. Reg. 190, effective December 21, 1989; amended at 14 Ill. Reg. 2564, effective February 9, 1990; emergency amendment at 14 Ill. Reg. 3241, effective February 14, 1990, for a maximum of 150 days; emergency expired July 14, 1990; amended at 14 Ill. Reg. 4543, effective March 12, 1990; emergency amendment at 14 Ill. Reg. 4577, effective March 6, 1990, for a maximum of 150 days; emergency expired August 3, 1990; emergency amendment at 14 Ill. Reg. 5575, effective April 1, 1990, for a maximum of 150 days; emergency expired August 29, 1990; emergency amendment at 14 Ill. Reg. 5865, effective April 3, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 7141, effective April 27, 1990; emergency amendment at 14 Ill. Reg. 7249, effective April 27, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 10062, effective June 12, 1990; amended at 14 Ill. Reg. 10409, effective June 19, 1990; emergency amendment at 14 Ill. Reg. 12082, effective July 5, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 14184, effective August 6, 1990; emergency amendment at 14 Ill. Reg. 14184, effective August 16, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 14570, effective August 22, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 14826, effective August 31, 1990; amended at 14 Ill. Reg. 15366, effective September 12, 1990; amended at 14 Ill. Reg. 15981, effective September 21, 1990; amended at 14 Ill. Reg. 17279, effective October 12, 1990; amended at 14 Ill. Reg. 18057, effective October 22, 1990; amended at 14 Ill. Reg. 18508, effective October 30, 1990; amended at 14 Ill. Reg. 18813, effective November 6, 1990;

Reg. 6235, effective April 19, 1985; amended at 9 Ill. Reg. 8677, effective May 28, 1985; amended at 9 Ill. Reg. 9564, effective June 5, 1985; amended at 9 Ill. Reg. 10025, effective June 26, 1985; emergency amendment at 9 Ill. Reg. 11403, effective June 27, 1985, for a maximum of 150 days; amended at 9 Ill. Reg. 11357, effective June 28, 1985; amended at 9 Ill. Reg. 12000, effective July 24, 1985; amended at 9 Ill. Reg. 12306, effective August 5, 1985; amended at 9 Ill. Reg. 13998, effective September 3, 1985; amended at 9 Ill. Reg. 14684, effective September 13, 1985; amended at 9 Ill. Reg. 15503, effective October 4, 1985; amended at 9 Ill. Reg. 16312, effective October 11, 1985; amended at 9 Ill. Reg. 19138, effective December 2, 1985; amended at 9 Ill. Reg. 19737, effective December 9, 1985; amended at 10 Ill. Reg. 238, effective December 27, 1985; emergency amendment at 10 Ill. Reg. 798, effective January 1, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 672, effective January 6, 1986; amended at 10 Ill. Reg. 1206, effective January 13, 1986; amended at 10 Ill. Reg. 3041, effective January 24, 1986; amended at 10 Ill. Reg. 7825, effective April 16, 1986; amended at 10 Ill. Reg. 8128, effective May 7, 1986; emergency amendment at 10 Ill. Reg. 8912, effective May 13, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 11440, effective June 20, 1986; amended at 10 Ill. Reg. 14714, effective August 27, 1986; amended at 10 Ill. Reg. 15211, effective September 12, 1986; emergency amendment at 10 Ill. Reg. 16729, effective September 18, 1986, for a maximum of 150 days; amended at 10 Ill. Reg. 1742, effective October 24, 1986; amended at 10 Ill. Reg. 21784, effective December 12, 1986; amended at 10 Ill. Reg. 698, effective December 19, 1986; amended at 11 Ill. Reg. 1418, effective December 31, 1986; amended at 11 Ill. Reg. 2323, effective January 16, 1987; amended at 11 Ill. Reg. 4002, effective February 25, 1987; Section 140.71 recodified to 89 Ill. Adm. Code 141 at 11 Ill. Reg. 4302; amended at 11 Ill. Reg. 4303, effective March 6, 1987; amended at 11 Ill. Reg. 7664, effective April 15, 1987; emergency amendment at 11 Ill. Reg. 9342, effective April 20, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 9169, effective April 28, 1987; amended at 11 Ill. Reg. 10903, effective June 1, 1987; amended at 11 Ill. Reg. 11528, effective June 22, 1987; amended at 11 Ill. Reg. 12290, effective July 6, 1987; amended at 11 Ill. Reg. 14048, effective August 14, 1987; amended at 11 Ill. Reg. 14771, effective August 25, 1987; amended at 11 Ill. Reg. 17295, effective September 30, 1987; amended at 11 Ill. Reg. 18696, effective October 27, 1987; amended at 11 Ill. Reg. 20909, effective December 14, 1987; amended at 12 Ill. Reg. 916, effective January 1, 1988; emergency amendment at 12 Ill. Reg. 1960, effective January 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 5427, effective March 15, 1988; amended at 12 Ill. Reg. 6246, effective March 16, 1988; amended at 12 Ill. Reg. 6728, effective March 22, 1988; Sections 140.900 thru 140.912 and 140.912 and 140.912 Table I recodified to 89 Ill. Adm. Code 147.5 thru 147.205 and 147.205 and 147.205 Table B at 12 Ill. Reg. 6956; amended at 12 Ill. Reg. 6927, effective April 5, 1988; Sections 140.940 thru 140.972 recodified to 89 Ill. Adm. Code 149.5 thru 149.325 at 12 Ill. Reg. 7401; amended at 12 Ill. Reg. 7695, effective April 21, 1988; amended



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amended at 14 Ill. Reg. 20478, effective December 7, 1990; amended at 14 Ill. Reg. 20729, effective December 12, 1990; amended at 15 Ill. Reg. 298, effective December 28, 1990; emergency amendment at 15 Ill. Reg. 592, effective January 1, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 1051, effective January 18, 1991; Section 140.569 withdrawn at 15 Ill. Reg. 1174; amended at 15 Ill. Reg. 6220, effective April 18, 1991; amended at 15 Ill. Reg. 6534, effective April 30, 1991; amended at 15 Ill. Reg. 8264, effective May 23, 1991; amended at 15 Ill. Reg. 8972, effective June 17, 1991; amended at 15 Ill. Reg. 10114, effective June 21, 1991; amended at 15 Ill. Reg. 10468, effective July 1, 1991; amended at 15 Ill. Reg. 11176, effective August 1, 1991; emergency amendment at 15 Ill. Reg. 11515, effective July 25, 1991, for a maximum of 150 days; emergency expired December 22, 1991; emergency amendment at 15 Ill. Reg. 12919, effective August 15, 1991, for a maximum of 150 days; emergency expired January 12, 1992; emergency amendment at 15 Ill. Reg. 16366, effective October 22, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. 17318, effective November 18, 1991; amended at 15 Ill. Reg. 17733, effective November 22, 1991; emergency amendment at 16 Ill. Reg. 300, effective December 20, 1991, for a maximum of 150 days; amended at 16 Ill. Reg. 174, effective December 24, 1991; amended at 16 Ill. Reg. 1877, effective January 24, 1992; amended at 16 Ill. Reg. 3552, effective February 28, 1992; amended at 16 Ill. Reg. 4006, effective March 6, 1992; amended at 16 Ill. Reg. 6408, effective March 20, 1992; amended at 16 Ill. Reg. 6849, effective April 7, 1992; amended at 16 Ill. Reg. 7017, effective April 17, 1992; amended at 16 Ill. Reg. 10050, effective June 5, 1992; amended at 16 Ill. Reg. 11174, effective June 26, 1992; expedited correction at 16 Ill. Reg. 11348, effective March 20, 1992; emergency amendment at 16 Ill. Reg. 11947, effective July 10, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 12186, effective July 24, 1992; emergency amendment at 16 Ill. Reg. 13337, effective August 14, 1992, for a maximum of 150 days; emergency amendment at 16 Ill. Reg. 15109, effective September 21, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 15561, effective September 30, 1992; amended at 16 Ill. Reg. 17302, effective November 2, 1992; emergency amendment at 16 Ill. Reg. 18097, effective November 17, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 19146, effective December 1, 1992; amended at 16 Ill. Reg. 19879, effective December 7, 1992; amended at 17 Ill. Reg. 837, effective January 11, 1993; amended at 17 Ill. Reg. 1112, effective January 15, 1993; amended at 17 Ill. Reg. 2290, effective February 15, 1993; amended at 17 Ill. Reg. 2951, effective February 17, 1993; amended at 17 Ill. Reg. 3421, effective February 19, 1993; amended at 17 Ill. Reg. 6196, effective April 5, 1993; amended at 17 Ill. Reg. 6839, effective April 21, 1993; amended at 17 Ill. Reg. 7004, effective May 17, 1993; expedited correction at 17 Ill. Reg. 7078, effective December 1, 1992; emergency amendment at 17 Ill. Reg. 11201, effective July 1, 1993, for a maximum of 150 days; emergency amendment at 17 Ill. Reg. 15162, effective September 2, 1993, for a maximum of 150 days; emergency amendment at 17 Ill. Reg. 18152, effective October 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 18571, effective October 8, 1993; emergency amendment at 17 Ill. Reg. 18611, effective October 1, 1993, for a maximum of 150 days; emergency amendment suspended effective October 12, 1993; amended at 17 Ill. Reg. 20999, effective November 24, 1993; emergency amendment

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repealed at 17 Ill. Reg. 22583, effective December 20, 1993; amended at 18 Ill. Reg. 3620, effective February 28, 1994; amended at 18 Ill. Reg. 4250, effective March 4, 1994; amended at 18 Ill. Reg. 5951, effective April 1, 1994; emergency amendment at 18 Ill. Reg. 10922, effective July 1, 1994, for a maximum of 150 days; emergency amendment suspended, effective November 15, 1994; emergency amendment repealed at 19 Ill. Reg. 5839, effective April 4, 1995; amended at 18 Ill. Reg. 11244, effective July 1, 1994; amended at 18 Ill. Reg. 14126, effective August 29, 1994; amended at 18 Ill. Reg. 16675, effective November 1, 1994; amended at 18 Ill. Reg. 18059, effective December 19, 1994; amended at 19 Ill. Reg. 1082, effective January 20, 1995; amended at 19 Ill. Reg. 2933, effective March 1, 1995; emergency amendment at 19 Ill. Reg. 3529, effective March 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 5663, effective April 1, 1995; amended at 19 Ill. Reg. 7919, effective June 5, 1995; emergency amendment at 19 Ill. Reg. 8455, effective June 9, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 9297, effective July 1, 1995, for a maximum of 150 days; emergency amendment at 19 Ill. Reg. 10252, effective July 1, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 13019, effective September 5, 1995; amended at 19 Ill. Reg. 14440, effective September 29, 1995; emergency amendment at 19 Ill. Reg. 14833, effective October 6, 1995, for a maximum of 150 days; amended at 19 Ill. Reg. 15441, effective October 26, 1995; amended at 19 Ill. Reg. 15692, effective November 6, 1995; amended at 19 Ill. Reg. 16677, effective November 28, 1995; amended at 20 Ill. Reg. 1210, effective December 29, 1995; amended at 20 Ill. Reg. 4345, effective March 4, 1996; amended at 20 Ill. Reg. 5858, effective April 5, 1996; amended at 20 Ill. Reg. 6929, effective May 6, 1996; amended at 20 Ill. Reg. 7922, effective May 31, 1996; amended at 20 Ill. Reg. 9081, effective June 28, 1996; emergency amendment at 20 Ill. Reg. 9312, effective July 1, 1996, for a maximum of 150 days; amended at 20 Ill. Reg. 11332, effective August 1, 1996; amended at 20 Ill. Reg. 14845, effective October 31, 1996; emergency amendment at 21 Ill. Reg. 705, effective December 31, 1996, for a maximum of 150 days; emergency amendment at 21 Ill. Reg. 3734, effective March 5, 1997, for a maximum of 150 days; amended at 21 Ill. Reg. 4777, effective April 2, 1997; amended at 21 Ill. Reg. 6899, effective May 23, 1997; amended at 21 Ill. Reg. 9763, effective July 15, 1997; amended at 21 Ill. Reg. 11569, effective August 1, 1997; emergency amendment at 21 Ill. Reg. 13857, effective October 1, 1997, for a maximum of 150 days; amended at 22 Ill. Reg. 1416, effective December 29, 1997; amended at 22 Ill. Reg. 4412, effective February 27, 1998; amended at 22 Ill. Reg. 7024, effective April 1, 1998; amended at 22 Ill. Reg. 10606, effective June 1, 1998; amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_.

## SUBPART D: PAYMENT FOR NON-INSTITUTIONAL SERVICES

## Section 140.461 Clinic Participation, Data and Certification Requirements

## a) Hospital-based organized clinics must:

- 1) Have an administrative structure, staff program, physical setting, and equipment to provide comprehensive medical care;
- 2) Agree to assume complete responsibility for diagnosis and



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treatment of the patients accepted by the clinic, or provide, at no additional cost to the Department, for the acquisition of these services through contractual arrangements with external medical providers;

- 3) Be adjacent to or on the premises of the hospital and be licensed under the Hospital Licensing Act or the University of Illinois Hospital Act; and

- 4) Meet the applicable requirements of 89 Ill. Adm. Code 148.40(d).  
 b) Encounter rate clinics must participate ~~be-presently-participating in~~ the Medical Assistance Program as an encounter rate clinic as of May 1, 1998, or be a clinic operated by a county with a population of over three million. Individual practitioners associated with such centers may apply for participation in the Medical Assistance Program in their individual capacities. In order to participate in the Maternal and Child Health Program, as described in Subpart G, encounter rate clinics shall be required to meet the additional participation requirements described in Section 140.924(a)(2).

- c) Rural health clinics must be certified by the Health Care Financing ~~Social---Security~~ Administration as meeting the requirements for Medicare participation.

- d) Federally Qualified Health Centers (FQHC):

- 1) Must be Health Centers which:  
 A) receive a grant under Section 329, 330 or 340 of the Public Health Service Act; or  
 B) based on the recommendation of the Health Resources and Services Administration within the Public Health Service, are determined to meet the requirements for receiving such a grant.

- 2) Section 4602 of the Omnibus Budget Reconciliation Act of 1990 (OBRA 90), which amended Section 1902(a)(55) of the Social Security Act (42 USC 1396a(a)(55)), requires states to receive and initially process Medicaid applications from low-income pregnant women and children under the age of 19 at locations other than the local Department of Human Services (DHS) Public-Aid office. Such a site is referred to as an outstation.

- A) Outstations will be located at those FQHCs which the Department determines serve heavy Medicaid populated areas. For areas in which the Department determines that maintaining outstation outstation workers is not economical, the DHS local Public-Aid office will continue to be the application location.

- B) The FQHCs, which will provide outstation eligibility staff to accept and assist in the initial processing of the Medicaid BPA--2378ME application for pregnant women and children, will forward the completed application to the appropriate DHS #BPA local office. Initial processing means accepting and completing the application, providing information and referrals, obtaining required documentation

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to complete processing of the application, assuring that the information contained on the application form is complete and conducting any necessary interviews. Neither the FQHCs nor the outstation workers will evaluate the information contained on the application, nor make any determination of eligibility or ineligibility. The DHS #BPA local office is responsible for these functions.

- C) Costs allowable under the federal outstation mandate for completing the Medicaid application form-BPA-2378ME will be itemized in Section B of Schedule I of the FQHC Medicaid cost report and will be provided annually in the FQHC cost reporting process. These allowable costs will be collected, computed and calculated, and will result in the establishment of an outstation administrative rate and a Medicaid rate. The allowable costs are:

- i) Salary of outstation worker;  
 ii) Fringe benefits;  
 iii) Training;  
 iv) Travel; and  
 v) Supplies.

- D) FQHC outstation workers must receive certification through Maternal and Child Health (MCH) process training by the Department before they begin to perform eligibility processing functions. Failure to become certified results in any MCH application completed by an ineligible worker being non-allowed on the cost report.

- E) FQHCs must have adequate staff trained with proper backup to accommodate unforeseen problems. FQHCs must be able to meet the demand of this initiative, either using staff at one location or rotating staff as dictated by workload or staffing availability. The FQHC must have staff available at each outstation location during regular office operating hours.

- F) Outstation intake staff may perform other FQHC intake processing functions, but the time spent on outstation activities must be documented and must be identifiable for cost reporting and auditing purposes.

- G) The FQHC must display a notice in a prominent place at the outstation location advising potential applicants of the times that outstation intake workers will be available. The notice must include a telephone number that applicants may call for assistance.

- H) The FQHC must comply with federal and State laws and regulations governing the provision of adequate notice to persons who are blind or deaf or who are unable to read or understand the English language.

- e) Individual practitioners associated with such centers may apply for participation in the Medical Assistance Program in their individual

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## capacities.

## f) Maternal and Child Health Clinics

## 1) Types of Clinics

The following clinics shall qualify as Maternal and Child Health Clinics:

A) Certified Hospital Ambulatory Primary Care Centers (CHAPCC), which are hospital-based organized outpatient clinics, as described in subsection (a) above, meeting the participation, data and certification requirements described in subsections (f)(2) through (f)(5) below, that, through staff and supporting resources, provide ambulatory primary care to Medicaid children from birth through 20 years of age, and pregnant women in a non-emergency room setting. At least 50 percent of all staff physicians providing care in a CHAPCC must routinely provide obstetric, pediatric, internal medicine, or family practice care in the clinic setting, and at least 50 percent of patient visits to the CHAPCC must be for primary care.

B) Certified Hospital Organized Satellite Clinics (CHOSC), which are clinics meeting the participation, data and certification requirements described in subsections (f)(2) through (f)(5) below, that are owned, operated, and/or managed by a hospital but do not qualify as hospital-based organized clinics, as described in subsection (a) above, because they are not located adjacent to or on the premises of the hospital or are not licensed under the Hospital Licensing Act or the University of Illinois Hospital Act. Through staff and supporting resources, these clinics provide ambulatory primary care in a non-emergency setting to Medicaid children from birth through 20 years of age, and to pregnant women. At least 50 percent of all staff physicians providing care in a CHOSC must routinely provide obstetric, pediatric, internal medicine, or family practice care in the clinic setting, and at least 50 percent of patient visits to the CHOSC must be for primary care. Primary care consists of basic health services provided by a physician or other qualified medical professional to maintain the day-to-day health status of a patient, without requiring the level of medical technology and specialized expertise necessary for the provision of secondary and tertiary care. CHOSCs shall meet the requirements in subsections (a)(1) and (a)(2) above.

C) Certified Obstetrical Ambulatory Care Centers (COBACC), which are hospital-based organized clinic entities, as described in subsection (a) above, meeting the participation, data and certification requirements described in subsections (f)(2) through (f)(5) below, that, through staff and supporting resources, provide primary care and

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specialty services to Medicaid-eligible pregnant women, especially those determined to be non-compliant or at high risk, in an outpatient setting.

D) Certified Pediatric Ambulatory Care Centers (CPACC), which are hospital-based organized clinic entities, as described in subsection (a) above, owned and operated by a hospital as described in 89 Ill. Adm. Code 149.50(c)(3), and meeting the participation, data and certification requirements described in subsections (f)(2) through (f)(5) below, that, through staff and supporting resources, provide pediatric primary care and specialty services as described in Section 140.462(e)(3)(C) to Medicaid enrolled children with specialty needs, from birth through 20 years of age in an outpatient setting. Hospitals with CPACCs must also provide primary care for at least 1,500 children, either through its CPACC or through a CHAPCC, CHOSC or encounter rate clinic operated by the same hospital. Hospitals unable to meet this volume requirement must agree to serve as a specialty referral site for another hospital operating a CPACC through a written agreement submitted to the Department.

## 2) General Participation Requirements

In addition to the Maternal and Child Health participation requirements described in Section 140.924(a)(1), the Maternal and Child Health clinics identified in subsection (f)(1) above must:

A) Be operated by a disproportionate share hospital, as described in 89 Ill. Adm. Code 148.120, be staffed by board certified/eligible physicians who have hospital admitting and/or delivery privileges, be operated by a hospital in an organized corporate network of hospitals having a total of more than 1,000 staffed beds, and agree to provide care for a minimum of 100 pregnant women or children; or be a primary care teaching site of an organized academic department of:

i) In the case of clinics described in subsections (f)(1)(A) and (f)(1)(B) above, a pediatric or family practice residency program accredited by the American Accreditation Council for Graduate Medical Education or other published source of accrediting information.

ii) In the case of clinics described in subsection (f)(1)(C) above, an obstetrical residency program accredited by the American Accreditation Council for Graduate Medical Education or other published source of accrediting information with at least 130 full-time equivalent residents.

iii) In the case of clinics described in subsection (f)(1)(D) above, a pediatric or family practice residency program accredited by the American Accreditation Council for Graduate Medical Education or other published source of accrediting information

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with at least 130 full-time equivalent residents;  
B) Under the direction of a board certified/eligible physician who has hospital admitting and/or delivery privileges and provides direct supervision to residents practicing in the certified ambulatory site, provide:

- i) In the case of clinics described in subsections (f)(1)(A) and (f)(1)(B) above, primary care.
  - ii) In the case of clinics described in subsection (f)(1)(C) above, obstetric and specialty services.
  - iii) In the case of clinics described in subsection (f)(1)(D) above, primary care and specialty services;
- C) Maintain a formal, ongoing quality assurance program that meets the minimum standards of the Joint Commission on Accreditation of Health Care Organizations (JCAHO);
- D) Provide historical evidence of fiscal solvency and financial projections for the future, in a manner specified by the Department; and
- E) Utilize a formal client tracking and care management system that affords timely maintenance of, access to, and continuity of medical records without compromising client confidentiality.

3) Special Participation Requirements

In addition to the Maternal and Child Health provider participation requirements described in Section 140.924(a)(1), and the general participation requirements described in subsection (f)(2) above, special participation requirements shall apply as follows:

- A) Clinics described in subsections (f)(1)(A) and (f)(1)(B) above must:
  - i) Serve a total population that includes at least 20% Medicaid and medically indigent clients;
  - ii) Perform a risk assessment on pregnant women assigned to them in order to determine if the woman is at high risk; and
  - iii) Provide or arrange for specialty services when needed by pregnant women or children.
- B) Clinics described in subsection (f)(1)(C) must:
  - i) Be a distinct department of a hospital that also operates as a Level II or Level III perinatal center;
  - ii) Provide services to pregnant women demonstrating the need for extensive health care services due to complicated medical conditions placing them potentially at high risk of abnormal delivery, including substance abuse or addiction problems. Hospital clinics will not qualify to participate unless they provide both primary and specialty services to women who currently are Medicaid clients, or Medicaid-eligible women who receive services at the

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COBACC; in this capacity, COBACCs, as perinatal centers, shall serve pregnant women determined to be at high risk of abnormal delivery;

- iii) Operate a designated 24-hour per day emergency referral site with a defined practice for the care of obstetric emergencies;
- iv) Have an established program of services for the treatment of substance-abusing pregnant women;
- v) Integrate an accredited obstetrical residency program with subspecialty residency programs to encourage future physicians to devote part of their professional services to disadvantaged and underserved high-risk pregnant women; and
- vi) Operate organized ambulatory clinics for pregnant women that are easily accessible to the medically underserved.

C) Clinics described in subsection (f)(1)(D) above must:

- i) provide primary and specialty services for children demonstrating the need for extensive health care services due to a chronic condition as described in Section 140.462(e)(3)(C);
- ii) Operate a designated 24-hour per day emergency referral site with a defined practice for the care of pediatric emergencies;
- iii) Provide access to necessary pediatric primary and specialty services within 24 hours after referral;
- iv) Be a distinct department of a disproportionate share hospital, as described in 89 Ill. Adm. Code 148.120(a)(5);
- v) Integrate an accredited pediatric or family practice residency program with subspecialty residency programs to encourage future physicians to devote part of their professional services to disadvantaged and underserved children with specialty needs; and
- vi) Operate organized ambulatory clinics for children that are easily accessible to the medically underserved.

4) Data Requirements

The Maternal and Child Health clinics described in subsection (f)(1) above shall be required to submit patient level historical data to the Department, which may include, but shall not be limited to historical data on the use of the hospital emergency room department.

5) Certification Requirements

Certification of qualifying status of a Maternal and Child Health clinic identified in subsection (f)(1) above shall occur annually during the first two years of participation and every other year thereafter. In addition:

- A) The certification process shall consist of a review of the



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completed application and related materials to determine provisional certification status. Those centers submitting approved applications shall then be reviewed on-site by Department staff within 60 days after application approval. Final notification of certification status shall be rendered within 30 days after the site review, pending provider submittal of a written plan of correction for any deficiencies discovered during the entire application process.

- B) Entities interested in becoming a Maternal and Child Health clinic must direct a written request for an application packet to the following address:

Maternal and Child Health Clinic  
Certification  
Bureau of Hospital Services  
Illinois Department of Public Aid  
201 South Grand Avenue East, Concourse  
Springfield, Illinois 62763-0001

- C) Certification status shall be suspended for Maternal and Child Health clinics identified in subsection (f)(1) above that do not submit data to the Department, as required under subsection (f)(4) above, within 180 days after the Department's request for the submittal of such data.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

## Section 140.463 Clinic Service Payment

- a) Hospital-Based Organized Clinics
- 1) With respect to those hospital-based organized clinics that qualify as Maternal and Child Health clinics, as described in Section 140.461(f)(1), payment shall be in accordance with Section 140.930.
  - 2) With respect to all other hospital-based organized clinics, payment shall be in accordance with 89 Ill. Adm. Code 148.140.
- b) Encounter Rate Clinics ~~Ethnic-Payment shall be made at the lesser of:~~
- 1) For encounter rate clinics providing comprehensive health care for women and infants or encounter rate clinics operated by a county with a population of over three million, payment shall be made at the lesser of: ~~the clinic's approved--all--inclusive interim-per-encounter rate as of May 1, 1981; or~~
    - A) \$50 per encounter; or
    - B) The clinic charge to the general public.
  - 2) For all other encounter rate clinics, payment shall be made at the lesser of: ~~\$50-per-encounter; or~~
    - A) The clinic's approved all inclusive interim per encounter rate as of May 1, 1981;

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- B) \$50 per encounter; or

- C) ~~The clinic charge to the general public.~~

3) ~~the clinic charge to the general public.~~

- c) Federally Qualified Health Centers (FQHC)

- 1) Medical Encounter Rate

- A) Payment for services rendered after March 31, 1990, shall be made at an individual, all inclusive, prospective per diem rate calculated on the basis of the Department's encounter rate methodology and audited provider fiscal information reported on the Medicaid Freestanding Federally-Funded Health Center Worksheet (Health Care Financing Administration Form 242), as supplemented by FQHC Medicaid Supplemental Schedules A, B and C reflecting the actual costs of delivering encounter services as listed in Section 140.462(d)(2).

- B) All cost reports will be audited by the Department to determine allowable costs for rate setting. The provider will be advised of any adjustments resulting from these audits.

- C) Cost rates effective each July 1 will be based on certified cost information from the provider's most recently audited fiscal year.

- D) Allowable costs will be updated to the midpoint of the rate year by an inflation factor derived from published economic indices.

- E) Interim payment for covered services rendered by FQHCs enrolled as of March 31, 1990, for which no audited costs are available shall be made at the individual FQHC rate in effect on March 31, 1990, as established by the Department.

- F) Interim payment for covered services rendered by FQHCs enrolled between March 31, 1990, and January 1, 1991, shall be made at the higher of:

- i) the provider's approved Medicare rate established by the designated federal intermediary for Rural Health Center or Federally Funded Health Center Services; or
- ii) the 75th percentile of the statewide range of the Department's established encounter clinic rates (as defined in subsection (a) above) as of March 31, 1990.

- G) Payment shall be made at the interim rate to FQHCs enrolled before January 1, 1991, for covered services rendered from the later of the date of enrollment or April 1, 1990, until the certified date of provider receipt of the cost-based rate established by the Department for that provider.

- H) When an individual cost-based rate has been established by the Department in accordance with the method described in subsection (c)(1)(A) above, the Department shall reconcile interim payments made for covered services.

- i) Rate retroactivity from April 1, 1990, will only apply

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to clinics enrolled as of March 31, 1990, which submit an application to the Public Health Service for Federally Qualified Health Center status by November 1, 1990, and are subsequently designated as federally qualified.

- ii) If the cost-based rate is higher than the interim rate, the Department shall pay the provider the rate differential for each claim paid at the interim rate.
- iii) If the cost-based rate is lower than the interim rate, the provider shall refund to the Department the rate differential for each claim paid at the interim rate, either by direct payment to the Department or as credit applied against future service claims.

- I) Interim payment for covered services rendered by FQHCs enrolled on or after January 1, 1991, shall be made at the higher of:
  - i) the provider's approved Medicare rate established by the designated federal intermediary for Rural Health Centers and Federally Funded Health Centers Services; or
  - ii) the median of the statewide range of the Department's established cost-based FQHC rates in effect at the time of enrollment.

- J) Payment shall be made at the interim rate for Centers enrolled on or after January 1, 1991, for covered services rendered between the date of enrollment and 30 days after the date of Department receipt of the complete and correct cost report of the provider. Payment for covered medical services rendered by the provider 30 days after Department receipt of the provider's complete and correct cost report will be made at the rate determined on the basis of the submitted cost report and the Department's FQHC rate methodology.

- K) If the FQHC has not submitted the required audited fiscal information on the forms specified in subsection (c)(1)(A) of this Section within 90 days after of the certified date of receipt of the forms, the Department shall suspend payment for covered medical services until the required information is received by the Department, unless the enrolled Center has been in operation less than one year and has no audited cost history.

- L) Enrolled FQHCs which have been in operation less than one year and have no audited cost history must submit required audited fiscal information reflecting the first six months of operation on the forms specified in subsection (c)(1)(A) of this Section, within 90 days after the later of the end of the sixth month of operation or the certified mail date of receipt of the forms. The rate calculated from these

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costs will be in effect for services rendered on and after the first day of the month following the month of receipt of the required fiscal information by the Department.

- M) The Department will not process a claim for payment of FQHC services rendered after June 30, 1990, that does not indicate all individual medical services delivered during the encounter, by procedure code.

## 2) Dental Encounter Rate

- A) Payment for dental services rendered after March 31, 1990, shall be made at an individual, all inclusive, prospective per diem rate calculated on the basis of the Department's encounter rate methodology and audited provider fiscal information reported on the Medicaid Preexisting Federally-Funded Health Center Worksheet (Health Care Financing Administration Form 242), as supplemented by FQHC Medicaid supplemental Schedules A, B, and C reflecting the actual costs of delivering dental services.
- B) Direct costs related to operation of the clinic in order to provide allowable dental services will be reported on the cost report and used in the rate calculation process.
- C) All cost reports will be audited by the Department to determine allowable costs for rate setting. The provider will be advised of any adjustments resulting from these audits.
- D) New rates effective each July 1 will be based on certified cost information from the provider's most recently audited fiscal year.
- E) Allowable costs will be updated to the mid point of the rate year by an inflation factor derived from published economic indices.
- F) Payment for covered dental services shall be made by the Department's prepaid dental service contractor.
- G) When an individual cost-based rate has been established by the Department in accordance with the method described in subsection (c)(2)(A) above, the Department's prepaid dental service contractor shall reconcile interim payments made for covered dental services.
  - i) Rate retroactivity will only apply to clinics enrolled as of March 31, 1990, that which submit an application to the Public Health Service for Federally Qualified Health Center status by November 1, 1990, and are subsequently designated as federally qualified.
  - ii) If the cost-based rate is higher than the interim rate, the Department's prepaid dental service contractor shall pay the provider the rate differential for each claim paid at the interim rate.
  - iii) If the cost-based rate is lower than the interim rate, the provider shall refund to the Department the rate

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H) differential for each claim paid at the interim rate. Interim payment for covered dental services rendered by FQHCs enrolled on or after January 1, 1991, shall be made at the median of the statewide range of the Department's established cost-based FQHC dental rates in effect at the time of enrollment.

I) Payment shall be made at the interim rate for Centers enrolled on or after January 1, 1991, for covered dental services rendered between the date of enrollment and 30 days after the date of the Department receipt of the complete and correct cost report of the provider. Payment for covered dental services rendered by the provider after 30 days following of Department receipt of the provider's complete and correct cost report will be made at the rate determined on the basis of the submitted cost report and the Department's FQHC rate.

J) If the FQHC has not submitted the required audited fiscal information on the forms specified in subsection (c)(2)(A) above within 90 days after of the certified mail date of receipt of the forms, the Department's prepaid dental service contractor shall suspend payment for covered dental services until the required information is received by the Department, unless the enrolled Center has been in operation less than one year and has no audited cost history.

K) Enrolled FQHCs which have been in operation less than one year and have no audited cost history must submit required audited fiscal information reflecting the first six months of operation on the forms specified in subsection (c)(2)(A) within 90 days after the later of the end of the sixth month of operation or the certified date of receipt of the forms. The rate calculated from these costs will be in effect for dental services rendered on and after the first day of the month following the month of receipt of the required fiscal information by the Department.

## 3) Rate Appeals Process

A) All appeals of audit adjustments or rate determinations must be submitted in writing to the Department. Appeals submitted within 30 calendar days after of the rate notification, if upheld, shall be made effective as of the beginning of the rate year. The effective date of all other upheld appeals shall be the first day of the month following the date the completed appeal was submitted. Appeals for any rate year must be filed before the close of the rate year.

B) To be accepted for review, the written appeal shall include:

- i) The current approved reimbursement rate, allowable costs, and the additional reimbursable costs sought through the appeal;

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ii) A clear, concise statement of the basis for the appeal;

iii) A detailed statement of financial, statistical, and related information in support of the appeal, indicating the relationship between the additional reimbursable costs as submitted and the circumstances creating the need for increased reimbursement;

iv) A citation to any mandated or contractual requirement pertinent to the appeal; and

v) A statement by the provider's chief executive officer or financial officer that the application of the rate appeal and information contained in the vendor's reports, schedules, budgets, books, and records submitted are true and accurate.

## C) Rate appeals may be considered for the following reasons:

i) Mechanical or clerical errors committed by the provider in reporting historical expenses used in the calculation of allowable costs.

ii) Mechanical or clerical errors committed by the Department in auditing historical expenses as reported and/or in calculating reimbursement rates.

iii) The Department and the provider have entered into a written agreement to amend, alter, or modify substantive programmatic or management procedures attendant to the delivery of services, which have a substantial impact upon the costs of service delivery.

iv) Substantial treatment service charges are required as a result of mandated regulatory charges.

v) Substantial changes in the physical plant are required as a result of mandated licensure requirements. In such instances, the provider must submit a plan of corrections for capital improvements approved by the licensing authority, along with the required cost information.

vi) State and/or Federal regulatory requirements have generated a substantial increase in allowable costs.

D) The Department shall rule on all appeals within 120 calendar days after of receipt of the appeal except that, if additional information is required from the facility, the period shall be extended until such time as the information is provided.

E) Appeals shall be submitted to the Department's Bureau of Comprehensive Health Services, 3rd floor Bloom Building, 201 South Grand Avenue East, Springfield, Illinois 62763.

d) Maternal and Child Health Clinics. Payment shall be made in accordance with Section 140-930.

e) Transitional Payments for FQHCs and Certain Encounter Rate Clinics

1) Certain clinics will be eligible to receive monthly transitional



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payments for managing the health care needs of certain clients under their care beginning December 1996. Certain clinics will be eligible to receive transitional payments for the month of December 1996, and monthly thereafter, under the conditions described in this subsection. To receive monthly transitional payments, clinics must:

- A) be either:
    - i) a Federally Qualified Health Center, as defined in Section 140.462(d), or
    - ii) an Encounter Rate Clinic, as defined in Section 140.462(b), that has provided comprehensive health services to Medicaid clients prior to December 1996;
  - B) have a signed transitional payment contract with the Department; and
  - C) have a contract with a Health Maintenance Organization (HMO) or Prepaid Health Plan (PHP) that has a contract to provide comprehensive health services, or, upon the implementation of MediPlan Plus, have a contract with a Managed Care Entity (MCE). When MediPlan Plus is implemented, HMOs, PHPs or Managed Care Community Networks (MCCNs) may serve as MCEs (see 89 Ill. Adm. Code 142.110 for definition of terms).
- 2) Transitional payments to a clinic will consist of a per member per month payment for any Illinois Medicaid client enrolled with an HMO or PHP or, upon the implementation of MediPlan Plus, an MCE, for whom the clinic was their assigned care provider on the last day of the month.
- 3) For the first six months covered under a transitional payment contract, the Department will make transitional payments for any number of Medicaid clients enrolled with an HMO, PHP or MCCN and assigned to the qualifying clinic as their primary care site. Thereafter, qualified clinics will receive transitional payments for a given month only if the total number of Medicaid clients enrolled with an HMO, PHP or MCCN and assigned to the qualifying clinic, meets or exceeds the following threshold levels established in the qualifying clinic's transitional payment contract for that month:
- A) For the seventh through twelfth month, such threshold shall equal 20 percent of the qualifying clinic's Medicaid patient base;
  - B) For the thirteenth through eighteenth month, such threshold shall equal 30 percent of the qualifying clinic's Medicaid patient base;
  - C) For the nineteenth through twenty-fourth month, such threshold shall equal 40 percent of the qualifying clinic's Medicaid patient base;
  - D) For the twenty-fifth month through the term of the contract, such threshold shall equal 50 percent of the qualifying clinic's Medicaid patient base.

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- 4) The Medicaid patient base shall be a number mutually agreed to by the Department and the qualifying clinic and established in the transitional payment contract that equals the number of Medicaid clients registered as patients of the qualifying clinic as of November 1996. If the qualifying clinic did not have Medicaid clients registered as patients as of November 1996, the mutually agreed to Medicaid patient base shall be the number of Medicaid clients registered as patients of the qualifying clinic as of the sixth month the qualifying clinic receives transitional payments under this Section.
- 5) Transitional payments shall equal:
- A) eight dollars per member per month for the first 12-month period after of the clinic's effective date of a clinic's contract with the Department;
  - B) six dollars per member per month for the second 12-month period after of the clinic's effective date of a clinic's contract with the Department;
  - C) two dollars per member per month for the third 12-month period after of the clinic's effective date of a clinic's contract with the Department.
- 6) Total transitional payments under subsection (e) shall not exceed:
- A) \$2,625,000 through June 30, 1997;
  - B) \$4,500,000 for each 12-month period thereafter that begins on July 1 and ends on June 30 of the following year.
- 7) In the event that payments exceed the limits described in subsection (e)(6) above, the Department will adjust future payments to clinics to recover any excess payment.
- 8) No clinic qualifying under subsection (e) shall receive transitional payments beyond the earlier of:
- A) three years from the effective date of a clinic's signed contract, or
  - B) June 30, 2000.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

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1) Heading of the Part: College Savings Bond Bonus Incentive Grant (BIG) Program

2) Code Citation: 23 Ill. Adm. Code 2771

3) Section Numbers: Adopted Action:  
 2771.10 Amendment  
 2771.20 Amendment  
 2771.30 Amendment  
 2771.APP.A Amendment

4) Statutory Authority: Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8].

5) Effective Date of Rule(s) Amendments: July 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: June 8, 1998

9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2772

10) Has JCAR issued a Statement of Objections to these amendments? No

11) Difference(s) between proposed and final version: None

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will these amendments replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

Subsection (b) of Sections 2771.20 and 2771.30 has been revised in

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response to a formatting suggestion made by JCAR staff. In subsection (b)(4) of Section 2771.20 and subsection (a)(1) of Section 2771.30, language has been added to clarify that Bonus Incentive Grants may be used by recipients only at eligible non-profit institutions. Although Public Act 90-122 expanded eligibility for certain ISAC-administered gift-assistance programs to qualifying proprietary institutions, these institutions are specifically excluded from participation in the BIG program by the Baccalaureate Savings Act [110 ILCS 920/3(b)]. And finally, the Table of Grant Amounts contained in Section 2771.APPENDIX A has been updated to include the most recent sale of College Savings Bonds, which took place in October of 1997.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
 Compliance Counsel  
 Illinois Student Assistance Commission  
 1755 Lake Cook Road  
 Deerfield, IL 60015  
 (847) 948-8500  
 email: rmartine@isc016r1.state.il.us

The full text of the Adopted Amendments begins on the next page.

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## TITLE 23: EDUCATION AND CULTURAL RESOURCES

## SUBTITLE A: EDUCATION

## CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2771

## COLLEGE SAVINGS BOND BONUS INCENTIVE GRANT (BIG) PROGRAM

Section	Summary and Purpose
2771.10	Applicant Eligibility
2771.20	Program Procedures
2771.30	Institutional Procedures
2771.40	Table of Grant Amounts
APPENDIX A	

**AUTHORITY:** Implementing and authorized by Section 8 of the Baccalaureate Savings Act [110 ILCS 920/8].

**SOURCE:** Emergency rules adopted at 15 Ill. Reg. 15800, effective October 21, 1991, for a maximum of 150 days; emergency expired on March 19, 1992; adopted at 16 Ill. Reg. 6873, effective April 14, 1992; amended at 18 Ill. Reg. 10246, effective July 1, 1994; amended at 19 Ill. Reg. 8312, effective July 1, 1995; amended at 20 Ill. Reg. 9136, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11018, effective July 18, 1997; amended at 22 Ill. Reg. 11025, effective JUL 01 1998.

## Section 2771.10 Summary and Purpose

- a) The Baccalaureate Savings Act [110 ILCS 920/8] authorizes the sale of Illinois college savings bonds and provides for a grant program as an additional financial incentive to encourage the use of proceeds from matured bonds at Illinois colleges or universities.
- b) This Part establishes rules which govern the Bonus Incentive Grant (BIG) program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.
- c) The purpose of this Part is to establish the conditions and procedures for a bondholder bond-holder to designate a student beneficiary as the recipient of a BIG Bonus-Incentive-Grant and to outline the process by which a student beneficiary applies for and obtains this grant.

(Source: Amended at 22 Ill. Reg. 11025, effective JUL 01 1998)

## Section 2771.20 Applicant Eligibility

- a) A bondholder bond-holder shall:
- 1) be able to furnish documentation which demonstrates that s/he has continuously owned the Illinois college savings bond(s) for at least the 12 months preceding the date of maturity or for an

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Illinois college savings bond(s) with an original maturity date of less than 12 months that s/he has owned the bond(s) for at least the six months preceding the date of maturity, unless the bond(s) were acquired by gift or under the laws of descent and distribution; and

- 2) use at least 70 percent of the bond proceeds for costs incident to enrollment which are reasonably incurred by the student beneficiary during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel, and other personal expenses related to attendance at the eligible institution of higher learning.

b) A student beneficiary shall be:

- 1) be designated by a bondholder bond-holder as the recipient of a grant pursuant to this Part;
- 2) be the beneficiary of at least 70 percent of the bond proceeds paid at maturity;
- 3) not-be-designated-as the beneficiary of not more than \$25,000 worth of bond proceeds in any single academic year; and
- 4) be enrolled on at least a half-time basis at an eligible non-profit institution of higher learning which is not organized solely for the purpose of religious instruction.

(Source: Amended at 22 Ill. Reg. 11033, effective JUL 01 1998)

## Section 2771.30 Program Procedures

a) Application Procedures

- 1) Applications for a BIG Bonus-Incentive-Grant-(BIG) shall be available from the Illinois Student Assistance Commission (ISAC) and eligible non-profit institutions of higher learning.
- 2) A complete application for BIG assistance shall include certifications from: the bondholder bond-holder, the student beneficiary and the Registrar of the institution of higher learning at which the student beneficiary is enrolled.
- 3) A bondholder bond-holder or a student beneficiary may submit a BIG application at any time between August 1 and May 30 for a grant spanning that same academic year. All grants under this program are subject to sufficient annual appropriations for this program by the General Assembly.
- 4) ISAC may require applicants to provide documentation verifying that the bondholder bond-holder owned the bonds for the requisite length of time.
- 5) One student beneficiary may be designated for each bond redeemed. In cases where two individuals jointly own a college savings bond, only one student beneficiary may be designated.

b) Application Certifications

- 1) The bondholder bond-holder(s) shall certify that: the--following



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for---the---academie---year---in---which---the---application---is---being submitted:

- A) that the aggregate compound accreted value at maturity of the college savings bond(s) was not more than \$25,000;
  - B) that at least 70 percent of the proceeds of the college savings bond(s) have been or will be used for educational expenses ~~costs--incident--to--enrollment~~ incurred by the student beneficiary during an academic year;
  - C) the student named on the application has been designated as the beneficiary of the bond proceeds; ~~the--name--of--the student-beneficiary;~~
  - D) that no other student has been designated as the student beneficiary for the same college savings bond; and
  - E) the information provided on the application with regard to the bonds is true and correct, including the date on which the bond(s) were issued, the date on which the bond(s) were acquired and the date on which the bond(s) matured; and ~~the preceding certifications are being provided for the academic year in which the application is being submitted.~~
- 2) The student beneficiary ~~beneficiaries~~ shall certify that the following:
- A) his or her that-their address, Social Security Number ~~social security--number~~ and other identifying information is accurate;
  - B) at least 70% of the proceeds of the College Savings Bonds will be used for educational expenses; ~~that-the-bond-holder has-provided-financial-assistance--in-the--amount--indicated on-the-application;~~
  - C) s/he is that--they--are enrolled at an eligible non-profit institution of higher learning and--in--an--academie--program that-is-eligible-for-BIG-assistance;
  - D) s/he that--they will use the their BIG proceeds to finance educational expenses ~~costs--incident--to--their--enrollment~~ which are reasonably incurred during an academic year, including tuition and fees, room and board, books and supplies, child care expenses, laundry, travel and other personal expenses related to attendance at the institution of higher learning; and
  - E) s/he that--they will not use the their BIG proceeds to finance costs incurred in an academic program of divinity for any religious denomination or in a course of study to become a minister, priest, rabbi or other professional person in the field of religion.
- c) The dollar value of the BIG shall be determined according to the Table of Grant Amounts (see Appendix A of this Part); provided, however, that:
- 1) the compound accreted value of the bonds shall not exceed \$25,000 in any given academic year;

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Example: A BIG could not be claimed for more than 5 bonds of \$5,000 compound accreted value each in any given year. Even if 12 bonds of \$5,000 compound accreted value each, or \$60,000 total, had been purchased on behalf of a beneficiary, a BIG could be paid only for the first \$25,000.

2) 70 percent of the compound accreted value of the bonds for which a BIG is being claimed in a given academic year does not exceed the beneficiary's cost of attendance at the institution of higher learning for that year.

Example: The beneficiary's cost of attending University A is \$14,000. Since \$14,000 is 70 percent of \$20,000, a BIG could not be claimed for bonds with a compound accreted value in excess of \$20,000. Even if 5 bonds of \$5,000 compound accreted value each, or \$25,000 total, had been purchased on behalf of the beneficiary, in this case a BIG could be paid only on the first \$20,000.

- d) Both the proceeds of the bond(s) and the BIG assistance must be used by the student beneficiary in the academic year in which the bond was redeemed or in the academic year immediately following redemption.
- e) Applicants may request that their eligibility for ISAC gift assistance be recalculated to exclude up to \$25,000 in accumulated bonds and interest, pursuant to ISAC Appeal Procedures (see 23 Ill. Adm. Code 2700.70). Recalculations will only be performed for those students who complete the required federal needs analysis process.

(Source: Amended at 22 Ill. Reg. 11035, effective July 01 1998)

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## Section 2771.APPENDIX A - Table of Grant Amounts

GRANT AMOUNT PER \$5000 COMPOUND  
ACCREDITED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	1/88 Bond Sale	10/88 Bond Sale	11/89 Bond Sale	11/90 Bond Sale	9/91 Bond Sale
1991	-	-	\$ 40	-	-
1992	-	-	\$ 60	\$ 40	-
1993	\$100	\$100	\$ 80	\$ 60	\$ 40
1994	\$120	\$120	\$100	\$ 80	\$ 60
1995	\$140	\$140	\$120	\$100	\$ 80
1996	\$160	\$160	\$140	\$120	\$100
1997	\$180	\$180	\$160	\$140	\$120
1998	\$200	\$200	\$180	\$160	\$140
1999	\$220	\$220	\$200	\$180	\$160
2000	\$240	\$240	\$220	\$200	\$180
2001	\$260	\$260	\$240	\$220	\$200
2002	\$280	\$280	\$260	\$240	\$220
2003	\$300	\$300	\$280	\$260	\$240
2004	\$320	\$320	\$300	\$280	\$260
2005	\$340	\$340	\$320	\$300	\$280
2006	\$360	\$360	\$340	\$320	\$300
2007	\$380	\$380	\$360	\$340	\$320
2008	\$400	\$400	\$380	\$360	\$340
2009	-	-	\$400	\$380	\$360
2010	-	-	\$420	\$400	\$380
2011	-	-	-	\$420	\$400
2012	-	-	-	-	\$420

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GRANT AMOUNT PER \$5000 COMPOUND  
ACCREDITED VALUE AT MATURITY

GRANT BOND MATURITY (August 1)	10/92 Bond Sale	10/93 Bond Sale	10/94 Bond Sale	10/97 Bond Sale
1994	\$40	-	-	-
1995	\$60	\$40	\$15	-
1996	\$80	\$60	\$40	-
1997	\$100	\$80	\$60	-
1998	\$120	\$100	\$80	-
1999	\$140	\$120	\$100	-
2000	\$160	\$140	\$120	-
2001	\$180	\$160	\$140	\$80
2002	\$200	\$180	\$160	\$100
2003	\$220	\$200	\$180	\$120
2004	\$240	\$220	\$200	\$140
2005	\$260	\$240	\$220	\$160
2006	\$280	\$260	\$240	\$180
2007	\$300	\$280	\$260	\$200
2008	\$320	\$300	\$280	\$220
2009	\$340	\$320	\$300	\$240
2010	\$360	\$340	\$320	\$260
2011	\$380	\$360	\$340	\$280
2012	\$400	\$380	\$360	\$300
2013	\$420	\$400	\$380	\$320
2014	-	\$420	\$400	\$340
2015	-	\$440	\$420	\$360
2016	-	-	\$440	\$380
2017	-	-	-	\$400
2018	-	-	-	\$420
2019	-	-	-	\$440

\* If no grant amount is shown, there were no bonds sold at that maturity for that particular issue.

(Source: Amended at 22 Ill. Reg. 1001.1001)

## ILLINOIS STUDENT ASSISTANCE COMMISSION

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: David A. DeBolt Teacher Shortage Scholarship (DTSS) Program
- 2) Code Citation: 23 Ill. Adm. Code 2764
- 3) Section Numbers:  
     2764.10 Adopted Action:  
     2764.20 Amendment  
     2764.30 Amendment  
     2764.40 Amendment
- 4) Statutory Authority: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].
- 5) Effective Date of Rule(s) Amendments: July 1, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: June 8, 1998
- 9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2780
- 10) Has JCAR issued a Statement of Objections to these amendments? No
- 11) Difference(s) between proposed and final version: Changes in this rulemaking were merely minor or technical in nature and were made in response to comments from the public.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these amendments replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and

## ILLINOIS STUDENT ASSISTANCE COMMISSION

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grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

A minor change has been made to subsection (a) of Section 2764.30 to clarify that the completed federal student financial aid application form actually must be filed with the Department of Education processor in order for the applicant to be considered for an award under this Part. Subsection (k) of Section 2764.30 has been revised in response to a formatting suggestion made by JCAR staff. Subsection (k)(6) of Section 2764.30 has been added to codify the educational purpose statement contained in the Teaching Agreement/Promissory Note. And finally, "armed services" has been replaced with the more accurate term "armed forces" throughout this Part, in order to make it more consistent with the terminology used throughout ISAC's rules.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
 Compliance Counsel  
 Illinois Student Assistance Commission  
 1755 Lake Cook Road  
 Deerfield, IL 60015  
 (847) 948-8500  
 email: rmartine@isc016r1.state.il.us

The full text of the Adopted Amendments begins on the next page.



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learning; and

- 5) pursuing a postsecondary course of study leading to initial certification in a teacher shortage discipline or taking pursuing additional courses coursework needed to gain Illinois State Board of Education (ISBE) approval to teach in an approved specialized teacher shortage program.
- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship Program (23 Ill. Adm. Code 2763), or the Special Education Tuition Waiver Program (23 Ill. Adm. Code 2765), the qualified applicant shall not be eligible for scholarship assistance under this Part.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

JUL 1 1996

## Section 2764.30 Program Procedures

- a) All applicants must complete and file the form which the U.S. Department of Education (ED) designates as an application for Federal student financial aid for the purpose of determining the Expected Family Contribution (EFC) which is used as a selection criteria for this award. (See Section 483 of the Higher Education Act of 1965, amended (20 U.S.C.A. 1070a).)
- b) A completed ISAC application for the David A. DeBolt Teacher Shortage Scholarship Program must be received in ISAC's Deerfield office on or before the May 1 immediately preceding the academic year for which the scholarship is being requested, in order to receive priority consideration for an award.
  - 1) ISAC applications are available from qualified institutions of higher learning, State legislative and Chicago offices.
  - 2) ISAC will mail renewal ISAC applications to all qualified students who received DeBolt Teacher Shortage Scholarship during the preceding academic year.
  - 3) If the student section of an ISAC application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.
- c) ISAC shall select the recipients from among qualified applicants who filed timely applications based on a combination of the following criteria:
  - 1) cumulative grade point averages, prioritized from the highest to the lowest. All grade point averages will be converted to a four-point scale;

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2764

DAVID A. DEBOLT TEACHER SHORTAGE SCHOLARSHIP (DTSS) PROGRAM

Section  
2764.10 Summary and Purpose  
2764.20 Applicant Eligibility  
2764.30 Program Procedures  
2764.40 Institutional Procedures

AUTHORITY: Implementing Section 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/65.55] and authorized by Sections 20(f) and 65.55 of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.55].

SOURCE: Emergency rules adopted at 19 Ill. Reg. 976, effective February 1, 1995, for a maximum of 150 days; emergency expired on June 30, 1995; adopted at 19 Ill. Reg. 11367, effective August 1, 1995; amended at 20 Ill. Reg. 9141, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11029, effective July 18, 1997; amended at 22 Ill. Reg. 11043, effective \_\_\_\_\_.

JUL 1 1996

## Section 2764.10 Summary and Purpose

- a) The David A. DeBolt Teacher Shortage Scholarship (DTSS) encourages academically talented students to pursue careers as public preschool, elementary and secondary school teachers in disciplines that have been designated as teacher shortage disciplines in the State of Illinois with a priority given to minority students.
- b) This Part establishes the rules which govern the DTSS David A. DeBolt Teacher Shortage Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. 11043, effective \_\_\_\_\_)

JUL 1 1996

## Section 2764.20 Applicant Eligibility

- a) A qualified applicant shall be:
  - 1) a United States citizen or eligible noncitizen;
  - 2) a resident of Illinois;
  - 3) a high school graduate or a person who has received a General Educational Development (GED) Certificate (GED);
  - 4) enrolled, or accepted for enrollment, on at least a half-time basis at the sophomore level or above at an institution of higher

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- 2) Expected Family Contribution (EFC), from the lowest to the highest;
- 3) minority students shall receive priority consideration; and
- 4) renewal applicants shall receive priority consideration provided the student:
  - A) continues to maintain a cumulative grade point average of no less than 2.5 on a 4.0 scale;
  - B) maintains his or her status as a qualified applicant, as outlined in Section 2764.20(a) of this Part, Applicant Eligibility;
  - C) maintains satisfactory academic progress as determined by the institution; and
  - D) has submitted an application on a timely basis.
- d) If all other criteria are equal, priority consideration will be given to the qualified applicant who submitted his or her completed application to ISAC on the earliest date.
- e) A recipient may receive up to 8 semesters/12 quarters of scholarship assistance under this program.
- f) Scholarship funds are applicable toward two semesters/three quarters of half-time and full-time study within an academic year.
- g) The total number of scholarships awarded in a given fiscal year is contingent upon available funding.
- h) To the extent necessary to administer this program within the limits of the State appropriation, the Commission may adjust the priority consideration factors established by this Section.
- i) ISAC shall publish ~~annually~~ annually-establish-and-publish guidelines for the awarding of DeBolt Teacher Shortage Scholarships.
- j) Notice of eligibility shall be sent by ISAC to each qualified applicant who is selected to receive a DTSS ~~DeBolt-Teacher-Shortage Scholarship~~. A notice will be sent by ISAC to each qualified applicant who is not selected to receive a DTSS ~~DeBolt-Teacher Shortage-Scholarship~~.
- k) Prior to receiving scholarship assistance for any academic year, the qualified applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:
  - 1) ~~a-pledge-on-the-part-of~~ the recipient pledges to teach, on a full-time basis, in the teacher shortage discipline for which the recipient applied one year for each year of scholarship aid received or for any portion of a year for which aid was received, under this Part;
  - 2) the ~~a-stipulation-that--such~~ teaching requirement will be fulfilled within the five-year period following completion of the postsecondary education degree or certificate program for which the scholarship was awarded;
  - 3) the ~~a-stipulation-that--such~~ teaching requirement will be fulfilled at an Illinois public preschool, elementary or secondary school;

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- 4) ~~a-stipulation-that~~ if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarship(s) prorated according to the fraction of the teaching obligation not completed, plus interest at a rate no greater than the highest rate applicable to new student loans made under ~~FFELP the-Federal-Family-Education-Loan Program~~ and, if applicable, reasonable collection fees; ~~and~~ a-further-stipulation-that the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.); and ~~the recipient promises to use the proceeds of the scholarship for educational expenses.~~
- 5) The five-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
  - 1) serves, for not more than three years, as a member of the United States Armed Forces ~~armed-services~~; or
  - 2) is enrolled full-time in a graduate course of study related to the field of teaching at an institution of higher learning; or
  - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a qualified physician; or
  - 4) is actively seeking but unable to find employment as a teacher at an Illinois public preschool, elementary or secondary school, for a single period not to exceed two years and is able to provide evidence of that fact; or
  - 5) is ~~taking~~ pursuing additional courses coursework, on at least a half-time basis, needed to gain ISBE approval to teach in a specialized teacher shortage discipline.
- m) If a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
  - 1) serves, for not more than three years, as a member of the United States Armed Forces ~~armed-services~~; or
  - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician; or
  - 3) is pursuing a graduate course of study and is enrolled on a full-time basis for one continuous ~~a-single~~ period of time not to exceed three years; or
  - 4) is seeking and unable to find full-time employment for one continuous ~~a-single~~ period not to exceed two years and is able to provide evidence of that fact; or
  - 5) withdraws from a course of study leading to certification/approval in a teacher shortage discipline, but is enrolled at least half-time as an undergraduate for one continuous a-single period of time not to exceed three years.
- n) During the time a recipient qualifies for any of the extensions listed in subsection (m) of this Section, s/he shall not be required to make

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from enrollment for the term(s) for which the award was intended, the institution shall return the total amount of the scholarship to ISAC.

- g) Scholarship Amount
  - 1) DeBolt Teacher Shortage Scholarships are applicable only toward tuition, and fees and room and board charges or commuter allowances, if applicable.
  - 2) The annual scholarship amount shall be computed by the institution and be the lesser of:
    - A) tuition and fees plus room and board expenses charged by the institution;
    - B) tuition and fees plus the institution's standard cost of living allowance for students living off-campus; or
    - C) \$5000 \$57889.
  - 3) The total amount of DeBolt Teacher Shortage Scholarship assistance awarded to a qualified applicant in a given academic year, when added to the other financial aid available to the qualified applicant for that year, cannot exceed the cost of attendance.
  - 4) A qualified applicant may receive grant assistance under the Monetary Award Program only up to the amount by which the qualified applicant's cost of attendance exceeds the amount of the DeBolt Teacher Shortage Scholarship.

(Source: Amended at 22 Ill. Reg. 11049 effective 11/1/1996)

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payments and interest shall not accrue.

- o) A recipient shall enter repayment status on the earliest of the following dates:

- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a teacher in a designated teacher shortage discipline, but not until six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
  - 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
  - 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within five years after completing the postsecondary education for which the scholarship was awarded.
- p) A recipient shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.
  - q) Renewal recipients may receive a subsequent award even if their discipline is no longer on the approved list of teacher shortage disciplines.

(Source: Amended at 22 Ill. Reg. 11049 effective 11/1/1996)

Section 2764.40 Institutional Procedures

- a) The institution shall submit eligibility information for qualified applicants in sufficient time for ISAC to make award announcements.
- b) The institution shall submit a certification of eligibility for qualified applicants with its request for payment.
- c) ISAC shall disburse scholarship funds in two or three installments, depending on the number of terms financed by the scholarship, except that multiple disbursements shall not be required in cases where the applicant's eligibility is not determined until the final term of the academic year for which the scholarship is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.
- d) Funds shall be remitted by ISAC to institutions on behalf of the recipient(s).
- e) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit the scholarship funds to the recipient's account for expenses due and payable. The balance of the disbursement shall be released to the recipient.
- f) Upon receipt of the scholarship funds, if the recipient has withdrawn



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## NOTICE OF ADOPTED AMENDMENT(S)

1) Heading of the Part: Federal Family Education Loan Program (FFELP)

2) Code Citation: 23 Ill. Adm. Code 2720

3) Section Numbers: Adopted Action:

2720.20 Amendment  
2720.25 Amendment  
2720.30 Amendment  
2720.35 Amendment  
2720.40 Amendment  
2720.41 Amendment  
2720.42 Amendment  
2720.50 Amendment  
2720.60 Amendment  
2720.70 Amendment  
2720.80 Amendment  
2720.130 Amendment  
2720.220 Amendment

4) Statutory Authority: Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

5) Effective Date of Rule(s) Amendments: July 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: June 8, 1998

9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2788

10) Has JCAR issued a Statement of Objections to these amendments? No

11) Differences between proposed and final version: Several changes in this rulemaking were made in response to technical suggestions from JCAR staff and to ensure that the rules conform to the Illinois Administrative Procedure Act. For example, references to Program Participation Agreements, which mention other legal authorities, now consistently refer to "statutes, federal regulations and State rules." See subsection (a)(3)(A) of Section 2720.20, subsection (b)(3)(A) of Section 2720.25 and subsection (c)(1) and (h) of Section 2720.35. However, no substantive programmatic changes have been made since the amendments were originally proposed.

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12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will these amendments replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

In subsection (b)(3)(A) of Section 2720.25, the requirements for educational institution lender eligibility have been amended to include references to statutes, federal regulations and State rules, as set forth in the Educational Lender Agreement. Subsection (e) of Section 2720.40 has been modified to clarify that the application/promissory note must be signed in ink by the borrower. Subsections (e)(1) and (2) of Section 2720.50 have been amended to reflect changes in federal regulations governing the late disbursement of loan proceeds. In order to reduce administrative burden, subsection (1) of Section 2720.50 has been modified to reflect that lenders and holders need not obtain advance approval of ISAC to use non-ISAC forms, provided that they meet the requirements of federal regulations and are compatible with ISAC's data processing requirements. Subsection (c) of Section 2720.60 has been updated since requests for preclaim assistance also may be canceled electronically. Subsection (m) of Section 2720.70 has been added to set forth the time frame within which a lender or holder must submit a request for an increase in the payment of a claim. And finally, throughout Section 2720.80 references to "insurance premium" have been replaced with the more accurate term "guarantee fee." This term is more consistent with industry terminology as well as disclosure information provided to borrowers.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500

## ILLINOIS STUDENT ASSISTANCE COMMISSION

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email: [rmartinez@isc016rl.state.il.us](mailto:rmartinez@isc016rl.state.il.us)

The full text of the Adopted Amendments begins on the next page.

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## NOTICE OF ADOPTED AMENDMENT(S)

TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2720

FEDERAL FAMILY EDUCATION LOAN PROGRAM  
(FFELP)

SUBPART A: FEDERAL LOAN PROGRAMS:  
THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL  
PLUS PROGRAM, FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM,  
AND FEDERAL CONSOLIDATION LOAN PROGRAM

Section	Summary and Purpose
2720.5	Definitions (Repealed)
2720.6	Eligibility for ISAC Loan Guarantees
2720.10	Lender Eligibility
2720.20	Educational Institution Lender Eligibility
2720.25	Institutional Eligibility
2720.30	Holder Eligibility
2720.35	Procedures for Obtaining a Guaranteed Loan
2720.40	One-Holder Requirement
2720.41	One-Holder Requirement
2720.42	Procedures for Disbursement and Requirements
2720.50	Federal Consolidation Loan Program
2720.55	Preclaim Assistance
2720.60	Reimbursement Procedures
2720.70	Student Guarantee Fee Insurance Program
2720.80	Guarantee Transfers
2720.90	

SUBPART B: ILLINOIS DESIGNATED ACCOUNT - BASE PROGRAM (IDAP)

Section	Summary and Purpose
2720.105	IDAPP Eligible Loans
2720.120	IDAPP Eligible Lenders
2720.130	

SUBPART C: ISAC ORIGINATED LOANS

Section	Summary and Purpose
2720.200	ISAC Originated Consolidation Loans
2720.210	Illinois Opportunity Loan Program (IOP)
2720.220	Federal Family Education Loan Program (FFELP) Loans (FFELP)

APPENDIX A Required Activities of Educational Lenders (Repealed)

## ILLINOIS STUDENT ASSISTANCE COMMISSION

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**AUTHORITY:** Implementing Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175]; Title IV, Part B, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

**SOURCE:** Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 5 Ill. Reg. 8698, effective August 17, 1981; emergency rule and emergency repealer at 6 Ill. Reg. 7558, 7573, effective June 9, 1982, for a maximum of 150 days; new rules adopted at 6 Ill. Reg. 13799, effective October 25, 1982; old rules repealed at 6 Ill. Reg. 15254, effective December 3, 1982; emergency amendment at 7 Ill. Reg. 9942, effective August 8, 1983, for a maximum of 150 days; codified at 7 Ill. Reg. 13309; amended at 8 Ill. Reg. 876, effective January 9, 1984; amended at 8 Ill. Reg. 7286, effective May 18, 1984; amended at 8 Ill. Reg. 17006, effective September 5, 1984; amended at 9 Ill. Reg. 20796, effective January 1, 1986; amended at 11 Ill. Reg. 3181, effective January 29, 1987; emergency amendment at 11 Ill. Reg. 13669, effective August 5, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 14103, effective August 10, 1987; emergency amendment at 11 Ill. Reg. 18370, effective October 23, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20989, effective January 1, 1988; amended at 12 Ill. Reg. 6971, effective April 1, 1988; amended at 12 Ill. Reg. 15221, effective September 15, 1988, for a maximum of 150 days; emergency expired February 12, 1989; amended at 13 Ill. Reg. 2872, effective February 16, 1989; amended at 13 Ill. Reg. 8630, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1720 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2720 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17855; emergency amendment at 14 Ill. Reg. 4266, effective March 1, 1990, for a maximum of 150 days; amended at 14 Ill. Reg. 10553, effective July 1, 1990; amended at 14 Ill. Reg. 10941, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 18769, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 4060, effective February 28, 1992; amended at 16 Ill. Reg. 11224, effective July 1, 1992; emergency amendment at 17 Ill. Reg. 2055, effective February 1, 1993, for a maximum of 150 days; amended at 17 Ill. Reg. 10506, effective July 1, 1993; amended at 18 Ill. Reg. 10254, effective July 1, 1994; emergency amendment at 18 Ill. Reg. 15636, effective October 15, 1994, for a maximum of 150 days; emergency expired March 13, 1995; amended at 19 Ill. Reg. 6215, effective April 15, 1995; amended at 19 Ill. Reg. 8320, effective July 1, 1995; amended at 20 Ill. Reg. 9147, effective July 1, 1996; amended at 21 Ill. Reg. 11038, effective July 18, 1997; amended at 22 Ill. Reg. 11681, effective July 1, 1998.

## SUBPART A: FEDERAL LOAN PROGRAMS:

THE FEDERAL STAFFORD LOAN PROGRAM, FEDERAL PLUS PROGRAM, THE FEDERAL SUPPLEMENTAL LOANS FOR STUDENTS (SLS) PROGRAM, AND FEDERAL CONSOLIDATION LOAN PROGRAM

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## Section 2720.20 Lender Eligibility

## a) Lender Agreement

- 1) All approved lenders must execute an ISAC Lender Agreement prior to participating in the Federal Family Education Loan Program through ISAC. Lenders wishing to serve as lenders-of-last-resort are required to sign an additional Agreement which includes the provisions of Section 428(j) of the Higher Education Act, as amended.
  - 2) Lenders must have received ED approval prior to executing a Lender Agreement.
  - 3) The Lender Agreement shall include provisions requiring lenders to:
    - A) comply with statutes, federal regulations, and State rules-published-policies-and-procedures; and
    - B) provide such information as ISAC may request relating to borrower demographics, collection records and other documents ISAC may need to comply with federal regulations. (See Sections 2720.60(a) and 2720.70(c).)
  - 4) Lenders and ISAC shall electronically transmit and receive loan guarantee data. ISAC shall provide the lender with program documentation and reasonable technical assistance related to electronic data exchanges. ISAC and the lender shall agree that the information and data shall be confidential and shall not be used, disclosed, sold or shared for any purpose other than that which is directly related to the administration of ISAC's guaranteed loan programs.
  - 5) Termination of the Lender Agreement may be made by either the lender or ISAC with 30 days' written notice. Termination shall not affect any obligations incurred prior to the time such termination becomes effective.
- b) Eligible lenders shall employ an adequate number of qualified persons to administer their responsibilities under ISAC's rules. In determining whether a lender employs an adequate number of qualified persons, ISAC considers the number of students aided, the number of applications evaluated and the amount of funds administered.
- c) In addition to the provision of subsection (a), the Lender Agreement for insurance companies approved as lenders shall require:
- 1) advertising and promotional materials consistent with Section 149 of the Illinois Insurance Code [215 ILCS 5/149] and 50 Ill. Adm. Code 909; and
  - 2) compliance with Sections 421 through 434 of the Illinois Insurance Code [215 ILCS 5/421 through 434], which prohibit unfair methods of competition and unfair and deceptive acts and practices.
- d) A loan guarantee shall be cancelled if the lender fails to comply with federal regulations, statutes, ISAC rules or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing



## ILLINOIS STUDENT ASSISTANCE COMMISSION

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- the lender for the defaulted loan.
- e) ISAC conducts compliance reviews to determine if approved lenders are complying with federal regulations, statutes and rules.
- f) Lenders wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: servicing/secondary market agreements; previous compliance and audit reviews conducted by other guarantors and the Department of Education; documentation relating to the percentage of student loans as compared to other installment loan portfolios; default rates; policy and procedures manuals; promotional materials; a statement relating to previous and anticipated loan volume; and other similar information relating to student loans requested by ISAC to show the lender's qualifications for participation. Program participation will be determined by an examination of those materials and compliance with federal laws and regulations and State rules and statutes.

(Source: Amended at 22 Ill. Reg. 11057, effective July 01, 1989)

## Section 2720.25 Educational Institution Lender Eligibility

- a) Educational lenders must meet the eligibility requirements of institutions as outlined in Section 2720.30, Institutional Eligibility, and must meet the eligibility requirements established for lenders as outlined in Section 2720.20, Lender Eligibility. Also, educational lenders must comply with all federal regulations related to the origination, disbursement and servicing of a loan. (See, e.g., 34 CFR 682.601.)
- b) Illinois educational institutions may be approved as lenders by the Commission if approved by ED and if the following requirements are met.
- 1) The specific materials to be provided by an institution in seeking approval as an eligible lender are:
    - A) An audited, certified, and preferably unqualified annual financial statement prepared by a firm of certified public accountants (CPA). The statement must cover a period of no less than 12 months and be no more than 12 months old at the time of submission. The CPA firm must express an acceptable opinion on the statement, and the statement shall consist of no less than a balance sheet, a statement of profit and loss, and all attendant notes thereto;
    - B) An institutional catalog, and a statement of the institution's educational costs and refund policies;
    - C) A statement of the institution's default/delinquency experience as a lender in the Federal Perkins Loan Program, FFELP, and/or Federal Insured Student Loan (FISL) Program program (20 U.S.C.A. 1071 et seq.) and a release to permit ISAC to solicit further data from ED or the institution's

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- service agency, if any, with respect to such records;
- D) A statement which demonstrates the institution's administrative ability to comply with all servicing requirements of the program;
  - E) Bank and other credit references and a release to permit ISAC to inquire of these references;
  - F) A statement explaining the source of the institution's lending capital;
  - G) A statement providing the amount of lending authority sought for the applicable fiscal year and an estimate of the lending volume expected in each of the two succeeding fiscal years; and
  - H) Any other materials which might be requested by ISAC to show the institution's potential qualifications as a lender.
- 2) In addition to the above materials, a school which is organized on a for-profit basis will be requested to submit a:
- A) copy of its student contract;
  - B) description of its admission/sales staff and their functions;
  - C) statement of the institution's drop-out/completion rates;
  - D) sample of the institution's advertising materials; and
  - E) description or copies of student complaints filed with the institution in the last two years. In addition to these materials, ISAC will secure a Dun and Bradstreet Report on the institution, a statement from the Better Business Bureau with regard to any consumer complaints, and a statement from the institution's accrediting association.
- 3) The applications for eligible educational lender status in the programs and the supporting documentation shall be reviewed by ISAC. ISAC staff shall inform the applicant institution of its proposed recommendations to the Commission prior to the meeting at which action on the application will be taken. The applicant institution shall also be informed of the recommendation for its annual lending limit, as well as any additions to the lender agreement which ISAC feels are prudent in individual instances to protect the default record of ISAC. The institution shall also be informed that if it is not in agreement with any ISAC staff recommendations, it is entitled to representation at the Commission meeting and will be allowed to state its objections. If the institution is approved by the Commission as an educational lender, it ISAE will execute an Educational Lender Agreement which will include:
- A) the institution's agreement to comply with statutes, federal regulations and State rules abide-by-the-rules-of-ISAE;
  - B) a statement of agreement including, or referring to, the list of required activities of educational lenders as outlined in 34 CFR 682.601;
  - C) a statement of agreement including, or referring to, the

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- federal regulations with respect to loan disbursements and refund application;
- D) a statement of agreement including, or referring to, the federal regulations definition of "due diligence"; and
- E) an expiration date of such lending contract which shall not be later than the end of the first full fiscal year following the negotiation of the contract, at which time its renewal shall be considered by ISAC.
- c) A loan guarantee shall be canceled if the educational lender fails to comply with federal regulations, statutes, ISAC rules or procedures, provided such failure impairs ISAC's ability to recover the expense of reimbursing the educational lender for the defaulted loan.
- d) ISAC conducts compliance reviews to determine if approved educational lenders are complying with federal regulations, statutes and rules.
- e) Educational lenders that do not maintain the standards of administrative capability or financial responsibility demonstrated in their original applications for participation, or required by federal regulations, may be subject to administrative limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)

(Source: Amended at 22 Ill. Reg. 11051, effective JUL 01 1999)

## Section 2720.30 Institutional Eligibility

- a) Institutional eligibility requirements are specified in federal regulations. Eligible postsecondary institutions include universities, colleges, graduate schools, schools of nursing, business, trade, technical and vocational schools. Correspondence institutions/programs are not eligible.
- b) Institutions must have executed a Program Participation Agreement with ED in order to participate in ISAC-guaranteed loan programs. (See 34 CFR 668.14.)
- c) When an approved institution has a change of ownership resulting in a change of control, a change of location or a change of name as defined by federal regulations, the institution's Program Participation Agreement with ED may be terminated. After an institution has undergone a change of status affecting its participation in any Title IV federal student financial aid programs, the institution may have its eligibility reinstated by the execution of a new Program Participation Agreement with ED (see, e.g., 34 CFR 600.30 et seq.) and by the submission and approval of a new application for participation with ISAC.
- d) An institution may not engage in loan origination activities. This prohibition shall not apply if the institution has an ED-approved Origination Agreement on file with ISAC and the institution has been approved as an educational lender. (See Section 2720.25 of this Part and 34 CFR 682.601.)

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- e) Approved institutions shall provide ISAC with the current enrollment status of students whom the institution has certified as eligible borrowers in accordance with federal regulations. (See 34 CFR 682.610(c).)
- f) Applicant and approved institutions must demonstrate administrative capability and financial responsibility, as defined by federal regulations, in order to begin and to continue participation in ISAC-guaranteed loan programs. (See, e.g., 34 CFR 668.14 and 668.15.)
- g) Institutions wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: documentation from the U.S. Department of Education (ED) and the state in which it operates demonstrating authorization to offer educational programs; previous audit and compliance reviews conducted by other guarantors and ED; proof of accreditation; audited financial statements; student catalogs; promotional materials; policy and procedure manuals; documentation relating to default and student withdrawal rates; and other similar information requested by ISAC to show the institution's qualifications for participation. Participation will be decided by an examination of application materials and a determination of compliance with federal laws and regulations ~~regulation~~ and State statutes and rules. Institutions may appeal an administrative decision denying participation or limiting eligibility in accordance with ISAC appeal procedures. (See 23 Ill. Adm. Code 2700.70.) Institutions denied participation shall be eligible to reapply one year from the date of the initial ISAC letter denying eligibility.
- h) Institutions not maintaining the standards of administrative capability or financial responsibility demonstrated in their original applications for participation, or required by federal regulations, may be subject to administrative limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)
- i) A foreign postsecondary ~~educational~~ institution, located outside of the United States, is eligible to participate in ISAC-guaranteed loan programs provided it produces evidence to ISAC of current eligibility with ED (e.g., Program Participation Agreement, Institutional Eligibility Notice, etc.) or documentation of such eligibility is available directly from ED.

(Source: Amended at 22 Ill. Reg. 11051, effective JUL 01 1999)

## Section 2720.35 Holder Eligibility

- a) All approved holders must execute an ISAC Holder Agreement prior to participating in the subsidized and unsubsidized Federal Stafford, Federal PLUS, Federal SIS or Federal Consolidation Loan Programs.
- b) Holders must have received ED approval prior to executing a Holder Agreement.

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- c) The Holder Agreement shall include provisions requiring holders to:
- 1) comply with statutes, federal regulations, and State rules; and ~~published-policies-and-procedures~~; and
  - 2) provide such information as ISAC may request relating to borrower demographics, collection records and other documents ISAC may need to comply with federal regulations. (See Sections 2720.60(a) and 2720.70(c).)
- d) Holders and ISAC shall electronically transmit and receive loan guarantee data. ISAC shall provide the holder with program documentation and reasonable technical assistance related to electronic data exchanges. ISAC and the holder shall agree that the information and data shall be confidential and shall not be used, disclosed, sold or shared for any purpose other than that which is directly related to the administration of ISAC's guaranteed loan programs.
- e) Termination of the Holder Agreement may be made by either the holder or ISAC with 30 days' advance written notice. Termination shall not affect any obligations incurred prior to the time such termination becomes effective.
- f) Eligible holders shall employ an adequate number of qualified persons to administer the holders' responsibilities under ISAC's rules and federal regulations. In determining whether a holder employs an adequate number of qualified persons, ISAC considers the number of students aided, the number of applications evaluated and the amount of funds administered.
- g) In addition to the provisions of subsection (c), the Holder Agreement for insurance companies approved as holders shall require:
- 1) advertising and promotional materials consistent with Section 149 of the Illinois Insurance Code [215 ILCS 5/149] and 50 Ill. Adm. Code 909; and
  - 2) compliance with Article XXVI of the Illinois Insurance Code [215 ILCS 5/Art. XXVI].
- h) A loan guarantee shall be canceled if the holder fails to comply with statutes, federal regulations, and State ~~statutes~~ ~~rules~~ ~~published-policies-or-procedures~~, provided such failure impairs ISAC's ability to recover the expense of reimbursing the holder for the defaulted loan.
- i) ISAC conducts compliance reviews to determine if approved holders are complying with federal regulations, statutes and rules.
- j) Holders wishing to participate in ISAC-guaranteed loan programs shall submit an application which shall include, but not be limited to: servicing/secondary market agreements; previous compliance and audit reviews conducted by other guarantors and ~~ED the Department of Education~~; documentation relating to the percentage of student loans as compared to other installment loan portfolios; default rates; policy and procedures manuals; promotional materials; a statement relating to previous and anticipated loan volume; and other similar information relating to student loans requested by ISAC to show the

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holders' ~~holders'~~ qualifications for participation. Program participation will be determined by an examination of those materials and compliance with federal laws and regulations and State rules and statutes.

(Source: Amended at 22 Ill. Reg.                     , effective 09-01-2003)

## Section 2720.40 Procedures for Obtaining a Guaranteed loan

- a) Borrowers who are eligible for a loan guarantee in accordance with Section 2720.10 are issued a notice of guarantee/disclosure statement. All promissory notes must be in a form approved by ED. No alteration or substitution may be used.
- b) All loans are made at the lender's discretion. When a lender rejects a borrower's application/promissory note, the lender shall issue a notice of non-acceptance to the borrower.
- c) Lender-of-last-resort requirements
  - 1) An applicant who is eligible for a Federal subsidized or unsubsidized Stafford Loan ~~loan~~ guarantee pursuant to Section 2720.10 of this Part and who has received two denials from can request that ISAC make a referral to a lender-of-last-resort provided the applicant:
    - A) submits a written request for a lender-of-last-resort loan referral to ISAC, which is accompanied by two denials from ISAC-approved lenders;
    - B) receives loan counseling information specifically designed to benefit an applicant seeking a lender-of-last-resort loan; and
    - C) attends an ISAC-approved institution.
  - 2) ISAC, within 60 days, will refer applicants to lenders-of-last-resort or will advise them that they do not meet the eligibility requirements of Section 2720.10 of this Part.
  - 3) ISAC will act as a lender-of-last-resort or will refer the applicant to the Student Loan Marketing Association if it cannot refer the applicant to a lender-of-last-resort willing to make a subsidized or unsubsidized Stafford Loan ~~loan~~ within 60 days.
- d) The availability of an ISAC-guaranteed loan shall not be conditioned upon the purchase of credit life, life, accident, health or other forms of insurance.
- e) The application/promissory note must be signed in ink. Signature stamps shall not be used by the borrower.
- f) At the lender's discretion and in accordance with federal regulations, endorser may be used for Federal PLUS Loans.
- g) Lenders shall obtain the names and addresses of at least two references from each loan applicant. Lenders shall submit the reference data to ISAC when requesting ISAC reimbursement pursuant to Section 2720.70.



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- h) When certifying a borrower eligible for a loan guarantee, the institution shall provide ISAC a loan disbursement schedule consistent with Section 428G of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1078-7). Should the institution fail to provide ISAC a disbursement schedule that is consistent with federal law, ISAC shall assign the loan a disbursement schedule that is consistent with Section 428G of the Higher Education Act of 1965, as amended.

(Source: Amended at 22 Ill. Reg. 11057, effective JUL 01 1993)

## Section 2720.41 One-Lender Requirement

- a) All of a borrower's outstanding ISAC-guaranteed loans must be made by the same lender, subject to the following conditions:

1) ISAC will issue a loan guarantee to a commercial lender provided that lender agrees to make all types of Federal Family Education Loan Program (FFELP) Loans (FFELP) to the borrower which the borrower requests and is eligible to receive, and:

- A) the loan is the borrower's first ISAC-guaranteed loan;
- B) the loan is a subsequent loan and the commercial lender has issued all of the borrower's previous ISAC-guaranteed loans;

or

C) the loan is a subsequent loan and the commercial lender holds or has purchased all outstanding ISAC-guaranteed loans for that borrower from previous commercial lender(s), in accordance with Section 2720.42 of this Part.

- 2) ISAC will issue a loan guarantee to an educational lender provided that:

A) the lender agrees to make all types of FFELP Loans FFELP to the borrower which the borrower requests and is eligible to receive, ~~and~~;

BA) the lender is an educational institution at which the borrower is currently enrolled; and

CB) the borrower has previously made a good faith effort to obtain a loan from a commercial lender pursuant to federal regulations. (See 34 CFR 682.601.)

- b) The requirements of this Section shall not apply if:

1) the outstanding loans are held by a lender which has been declared insolvent by a regulatory agency, has terminated its agreement with ISAC, or has withdrawn from participation in FFELP ~~and FFELP programs;~~

2) ISAC is informed by the borrower, the institution or its agent that the borrower has provided authorization to have subsequent loans issued by a different lender;

3) the borrower is requesting a subsequent loan and the lender has made a previous ISAC-guaranteed loan to that borrower for that loan program with a guarantee date prior to July 1, 1993; or

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- 4) the borrower's outstanding loan(s) was made in accordance with Section 2720.40(c) of this Part, by a lender-of-last-resort.

(Source: Amended at 22 Ill. Reg. 11051, effective JUL 01 1993)

## Section 2720.42 One-Holder Requirement

- a) All of a borrower's outstanding ISAC-guaranteed loans must be sold by a lender to the same holder.

1) If the lender has sold any of a borrower's previous ISAC-guaranteed subsidized or unsubsidized Federal Stafford Loan(s) or Federal SLS Loan(s) to an approved holder, the lender shall sell all subsequent loans to the same holder by no later than 90 days from the borrower's last date of attendance or 180 days following the last disbursement, whichever occurs later; or in the event of untimely notification to the lender of a student's change in enrollment status, no later than 45 days after the lender became aware that the student ceased to be enrolled on at least a half-time basis. (See Section 2720.130(d).)

2) Subsidized Federal Stafford Loans, unsubsidized Federal Stafford Loans and Federal SLS Loans which were made under the same common Application/Promissory Note for loan periods within the same academic year must be sold simultaneously.

3) If the lender has sold the applicant's previous ISAC-guaranteed Federal PLUS Loans to an approved holder, the lender shall sell each subsequent Federal PLUS Loan for that borrower to the same holder by no later than 90 days from the last date of attendance or 180 days following the last disbursement, whichever occurs later; or in the case of a late disbursement, the subsequent loan must be sold within 45 days following disbursement.

4) Upon notification by the holder of the oldest previous loan, the holder of any subsequent loan must sell that loan to the previous holder, unless the borrower requests in writing that the previous holder sell to the subsequent holder.

b) Failure to sell the subsequent loan by the deadline shall result in the loss of guarantee.

1) A guarantee may be reinstated if, within 90 days after identifying a loan in violation of subsection (a)(1), (a)(2), (a)(3) or (a)(4) above, the holder or lender initiates the sale of the loan to the eligible holder who purchased the applicant's previous loan(s).

2) Initiation of the sale procedure within 90 days, and conclusion of the sale before the day the loan enters default status, will retroactively reinstate the guarantee to the day the guarantee was lost due to a violation of subsection (a)(1), (a)(2), (a)(3) or (a)(4) above, provided no other violation of federal

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- regulation or State rule exists.
- 3) Failure to initiate the sale of the loan within 90 days after identifying the violation will result in a permanent loss of guarantee for that loan. Failure to ultimately sell the loan to the holder will also result in a permanent loss of guarantee for that loan.
- c) The requirements of this Section shall not apply if:
- 1) the outstanding loans are held by a holder which has been either declared insolvent by a regulatory agency, has terminated its agreement with ISAC, or has withdrawn from participation in FTELP, all-PPEB-programs;
  - 2) ISAC is informed that the borrower has provided authorization to have subsequent loans held by a different holder.

(Source: Amended at 22 Ill. Reg.

effective

(1105, 1105)

## Section 2720.50 Procedures for Disbursement and Repayment

- a) Disbursement and repayment procedures are specified in federal regulations.
- b) Prior to disbursement, the borrower ~~borrower's~~ shall execute a completed Application/Promissory Note ~~Notet~~ for the principal and interest on the loan ~~loan's~~. The lender shall retain the original copy of the Application/Promissory Note.
- c) The lender shall transmit to ED any and all statements and reports necessary to obtain federal interest payments on the borrower's ~~borrower's~~ behalf. The lender shall not collect or attempt to collect from the borrower ~~borrower's~~ or ISAC any portion of the interest on the loan which is payable by ED.
- d) Except for loans pursuant to Section 2720.55, the lender shall not disburse the proceeds of any loan on the borrower's ~~borrower's~~ behalf unless and until the lender shall have received from ISAC evidence of a guarantee. The lender shall inform ISAC of all disbursement dates.
- e) Federal Stafford and Federal PLUS Loan proceeds shall be transmitted directly to the institution.
- 1) Federal Stafford Loan checks or electronically transmitted funds shall be payable to the student borrower unless the institution requires all loan checks to be co-payable to the borrower and the institution. Federal PLUS Loan checks shall be co-payable or sent via EFT to the institution and the parent borrower. Federal Stafford or Federal PLUS Loan funds disbursed ~~transferred~~ either via EFT electronically or by Master Check ~~shall be transmitted~~ to the institution shall include ~~along with~~ information identifying the names, Social Security Numbers ~~name-of-each-student-on-whose behalf-loan-proceeds-are-being-transmitted~~, and the loan amounts of the borrowers who are receiving a portion of the disbursement.

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- and the names and the Social Security Numbers of the students on whose behalf the parents are borrowing. ~~amount-being-transmitted on-behalf-of-that-student.~~
- 2) Loan proceeds must be disbursed to the institution and delivered to the borrower no later than 90 days after the end of the loan period or 90 days after the date on which the student ceased to be enrolled at least half-time, whichever is earlier. If the loan proceeds are not delivered pursuant to this subsection, the school must request that the loan be canceled and must return any loan proceeds. ~~if-the-proceeds-have-not-been-disbursed-to--the-institution--within--60-days--after-the-conclusion-of-the-term--for-which-the-loan-was-intended--or-90-days--after-the-conclusion--of-the--term----if--exceptional--circumstances--are-documented--by-the-institution-in-accordance-with--34--CFR--682.207(d)(2)(i)-(v)--the-loan-guarantee-will-be-canceled.~~
- 3) If the student has withdrawn from enrollment and federal regulations require the institution to submit a refund to the lender, either electronically or in the form of a check payable to the lender on behalf of the borrower, the institution shall provide simultaneous written notice to the borrower of the refund.
- A) If the institution fails to issue a timely refund, as defined by federal regulations (see 34 CFR 682.609), the institution shall pay penalty interest.
- B) The penalty interest shall equal the total amount of interest and special allowance generated by the principal value of the refund amount. The penalty interest shall be computed from the date the refund was due until the date the refund was issued.
- C) The penalty interest shall be paid to the lender or subsequent holder.
- f) The borrower(s) shall have the right to prepay without penalty the whole or any part of a loan guaranteed hereunder.
- g) The lender or holder shall notify the borrower of the repayment options available, as specified in 34 CFR 682.209. The lender or holder shall send a repayment schedule to a FTELP borrower no less than 30 days nor more than 240 days before the first payment on the loan is due from the borrower.
- h) The lender or holder shall notify ISAC of payment in full or prepayment in full by the borrower.
- i) In accordance with federal regulations, the lender or holder may extend the maturity date of any note.
- j) Lenders or holders may exercise administrative forbearances, which do not require the agreement of the borrower, as authorized by Section 428(c)(3)(C) of the Higher Education Act of 1965, as amended, and by federal regulations.
- k) Borrowers are entitled to deferments, which extend the maturity date of any note(s), under conditions established by federal regulations.

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- 1) ISAC provides lenders or holders with the forms necessary for servicing their guaranteed loan portfolio (e.g., deferment forms, forbearance forms). Lenders and holders With ~~advance~~ ISAC approval, lenders may use non-ISAC forms ~~ISAC shall approve the use of alternative forms~~ provided the alternative form meets the requirements of federal regulations ~~is~~ ~~BB~~ approved and is compatible with ISAC's data processing requirements.
- m) No note shall be sold or transferred by the lender except to an ISAC-approved lender, an ISAC-approved holder, or ISAC.

(Source: Amended at 22 Ill. Reg. 11051, effective JUL 01 1998)

## Section 2720.60 Preclaim Assistance

- a) ISAC functions in a supplementary role to assist the lender or holder in its collection of a loan that is at least 90 days delinquent. After requesting preclaim assistance, the lender or holder shall continue with normal collection activity. The following information is requested with the request for assistance, if available:

- 1) name and Social Security Number (SSN);
- 2) employer's name and telephone number;
- 3) home address and telephone number;
- 4) identification of the problem;
- 5) date and amount of each payment;
- 6) loan amounts; and
- 7) number of days delinquent.

- b) The request for preclaim assistance must be sent to ISAC no earlier than 80 days after the first day of delinquency and no later than 100 days after the first day of delinquency. For accounts paid less frequently than monthly (e.g., quarterly), the request for preclaim assistance must be filed no earlier than the 140th day of delinquency and no later than the 160th day of delinquency.

- c) For 10 or more accounts submitted in one month, the request for preclaim assistance and subsequent preclaim transactions must be submitted electronically, in a format approved by ISAC, from which collection action can begin or cease immediately.

- d) If a borrower's address is unknown, the lender shall attempt to locate the borrower pursuant to federal regulations. (See CFR 682.411.) The lender may file for preclaim or skip-tracing assistance when it has completed its skip-tracing efforts. If it has not already done so, the lender shall file for assistance within 10 days before or after either the 90th day of delinquency for loans due monthly, or the 150th day for loans that are due less frequently than monthly.

- e) When a lender files for preclaim assistance, that lender is automatically filing for supplemental preclaim assistance (the collection assistance provided by ISAC after the loan is 120 days delinquent).

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(Source: Amended at 22 Ill. Reg. 11051, effective JUL 01 1998)

## Section 2720.70 Reimbursement Procedures

- a) The lender or holder shall request reimbursement from ISAC within 60 days from the date the lender or holder receives a completed request for loan cancellation or forgiveness due to death, total and permanent disability, attendance at a school that closes, or false certification by a school of a borrower's eligibility for a loan, in accordance with federal regulations and the Higher Education Act of 1965, as amended. (See, e.g., 34 CFR 682.502.)
- b) Requests for default reimbursement must be submitted to ISAC no earlier than 180 days after the first day of delinquency and no later than 270 days after the first day of delinquency. The lender or holder shall be reimbursed, in accordance with federal regulations and the Higher Education Act of 1965, as amended. In the case of a default on a Federal PLUS Loan, the borrower, co-maker and endorser must meet the default criteria contained in federal regulations. The lender or holder must request ISAC reimbursement for a bankruptcy claim in accordance with federal regulations and the Higher Education Act of 1965, as amended. (See, e.g., 34 CFR 682.402.) The request for reimbursement must be submitted within 30 days after the lender's or holder's receipt of notice that collection on the debt is stayed. A copy of the restraining order and the appropriate papers must be included. In the case of a bankruptcy involving a Federal PLUS Loan, the borrower, co-maker and endorser must meet the bankruptcy criteria contained in federal regulations.
- c) Prior to reimbursement, the lender or holder must certify compliance with federal due diligence requirements and subsection (h) of this Section.
- d) Prior to reimbursement, the lender or holder must have remitted the insurance premium established by Section 2720.80.
- e) The lender or holder shall forward to ISAC any payments made by or on behalf of the borrower after default reimbursement and shall advise ISAC of any subsequent information received concerning the borrower. Prior to reimbursement, all original notes or certified, true and exact copies of original notes must be properly endorsed and submitted to ISAC. If the notes have been lost or erroneously stamped "Paid in Full," ~~or lost~~ the lender or holder shall execute a Hold Harmless Agreement with ISAC.
- f) No fee or charge to the borrower, other than the maximum interest rate prescribed by ED and the collection charges outlined in federal regulations (see 34 CFR 682.202(f) and (g)), including the student insurance premium, and the federal loan origination fee, shall be contracted for or received by the lender.
- h) The lender or holder shall make a proper collection effort in accordance with acceptable practices of prudent lending institutions



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computed by ISAC and disclosed to the borrower on the notice of guarantee/disclosure statement. The rate of the fee insurance-premium shall be determined by resolution of the Commission. When establishing the rate of the fee insurance-premium, the factors to be considered by the Commission include: the solvency of the Student Loan Revolving Fund, projected application volume, and the timeliness of payments from ED pursuant to the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.).

- c) Refunds of guarantee fees insurance-premiums shall be made to the borrower in accordance with federal regulations. (See 34 CFR 682.401(b)(10)(vi).)
- d) The guarantee fees insurance-premiums shall be deposited in the Student Loan Revolving Fund. In accordance with federal regulations, such proceeds may only be used to reimburse lenders for defaulted guaranteed loans, to pay the administrative expenses of ISAC or to pay the reinsurance fee assessed by ED the Department of Education.

(Source: Amended 1101 at 22 Ill. Reg. 1051, effective 10-1-1998)

## SUBPART B: ILLINOIS DESIGNATED ACCOUNT PURCHASE PROGRAM (IDAPP)

## Section 2720.130 IDAPP Eligible Lenders

- a) Prior to submitting accounts for purchase, the lender and ISAC must execute an IDAPP contract. The contract requires lenders to comply with statutes, federal regulations and State rules and procedures.
- b) ISAC will purchase loans only from those lenders that who have no inappropriate relationships with the educational institutions certifying the loans loan. An inappropriate relationship includes, but is not limited to, fiscal or loan service arrangements between commercial lenders and institutions which are not permitted by law or federal regulation (34 CFR 682.205) and/or is of such a special nature that all educational institutions or all lenders under similar circumstances do would not receive similar terms, conditions or services from the lender.
- c) If it appears that the lender has violated one or more of ISAC's rules in the handling of any account, and if such violation contributed to the delinquent status of the account, ISAC will decline to purchase the account.
- d) The lender aware date of delinquency will be:
  - 1) date lender received notice from the school, borrower or ISAC that the borrower has a revised last date of attendance;
  - 2) date the lender received returned mail from a borrower's borrower's address;
  - 3) date information is received from the borrower borrower's, student, spouse or parent that repayment will not be forthcoming; or

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including, but not limited to, the collection activities required by federal regulations. (See, e.g., 34 CFR 582.402, 582.411 and 582.412.)

- i) ISAC shall collect the outstanding amount on the reimbursed guaranteed loan. If the borrower refuses to retire the debt, ISAC shall follow the requirements of federal regulations. (See 34 CFR 682.410.)
- j) Should a borrower refuse to retire the debt, ISAC shall direct the State Comptroller to offset any payment from the State Treasurer to the borrower. The funds offset shall be remitted to ISAC and credited against the debt.

- 1) All offsets shall be processed in accordance with 74 Ill. Adm. Code 285.
- 2) ISAC shall not direct an offset if the borrower has maintained a satisfactory repayment record. (See 23 Ill. Adm. Code 2700.40(a)(1).)

- 3) ISAC shall notify a borrower of the possibility of an offset no less than 15 fifteen days prior to the first offset. ISAC may shall not provide additional notice of subsequent offsets for the same debt. Should the borrower dispute the debt, an appeal must be filed within 15 days after and including the date of the notice. Appeals will be processed in accordance with 23 Ill. Adm. Code 2700.70. If the requested relief is granted, the funds offset shall be returned to the borrower.
- 4) Funds eligible to be offset include, but are not limited to, State income tax refunds and the wages of State employees.

- k) ISAC shall provide a borrower with an opportunity for an administrative review of the legal enforceability or past-due status of the loan obligation after it pays a default claim but before it reports the default to a credit bureau or assesses collection costs against the borrower, in accordance with federal regulations (34 CFR 682.410(b)(5)(ii)(c)).
- l) ISAC may garnish the disposable pay of a borrower if the individual is not currently making required payments, in accordance with Section 488A of the Higher Education Act, as amended.

- m) ISAC requires the lender or holder to submit a request for an increase in claim payment within 60 days after receiving the claim payment.

(Source: Amended at 22 Ill. Reg. 1051, effective 10-1-1998)

## Section 2720.80 Student Guarantee Fee Insurance-Premium

- a) ISAC charges each borrower a guarantee fee an insurance-premium on each guaranteed loan. The fee(s) premium(s) collected by the lender must be remitted to ISAC no less frequently than monthly.
- b) The amount of the guarantee fee premium collected on each loan shall be no greater than the maximum permitted by the Higher Education Act, as amended. The exact amount of the fee insurance-premium shall be

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- 4) maturity date of the note, the date of the deferment, or the date the payment was due but was not made.

(Source: Amended 3026 - 1998 22 Ill. Reg. 11051, effective

## SUBPART C: ISAC ORIGINATED LOANS

## Section 2720.220 Federal Family Education Loan Program (FFELP) Loans (FFELP)

- a) ISAC may serve as a direct lender of educational loans under FFELP the Federal Family Education Loan Program.
- b) Each borrower must be an eligible borrower as established by the Higher Education Act of 1965, as amended (see 20 U.S.C.A. 1078 et seq.), and must meet the eligibility requirements set forth in Section 2720.10 of this Part, Eligibility for ISAC Loan Guarantees.
- c) The amounts, terms and conditions of loans made under this Section shall be in accordance with the provisions of the Higher Education Act of 1965, as amended (see 20 U.S.C.A. 1078 et seq.).
- d) Educational loans may be made to borrowers referred by lenders which have executed a Community Educational Loan Partnership agreement with ISAC.

(Source: Amended at 22 Ill. Reg. 11051, effective

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- 1) Heading of the Part: General Provisions
- 2) Code Citation: 23 Ill. Adm. Code 2700
- 3) Section Numbers: Adopted Action:  
2700.20 Amendment  
2700.30 Amendment  
2700.40 Amendment  
2700.50 Amendment  
2700.55 Amendment  
2700.60 Amendment  
2700.80 Added
- 4) Statutory Authority: Implementing Sections 1 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/1 through 175]; Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq., as amended by P.L. 102-325); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

5) Effective Date of Rule(s) Amendments: July 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: June 8, 1998

9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2809

10) Has JCAR issued a Statement of Objections to these amendments? No

11) Difference(s) between proposed and final version: Changes in this rulemaking were made in response to comments from the public or suggestions from JCAR staff. These changes, which were mostly technical in nature, were made to clarify this rulemaking and to increase the consistency of terminology used throughout ISAC's rules. In addition, subsection (f) of Section 2700.80 was reorganized to better distinguish between the responsibilities of the ISAC-approved institution and those of the other parties to the contractual agreement.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will these amendments replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in

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order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

In Section 2700.20, Definitions, a new definition of "contractual agreement" has been added so that this term can be more easily differentiated from "consortium agreement," which already is defined. The term "educational institution" was deleted, since it is identical to the term "institution," which will now be used throughout the rules. A new definition, "EFT," was added to indicate the acronym for electronic funds transfer, which increasingly is being used to disburse loan proceeds. New definitions were added for both "fire officer" and "police officer" to provide a parallel level of specificity with the existing term "correctional officer" and to improve the clarity of programs benefiting dependents of these groups contained in Parts 2731 and 2732. The citation to Federal Regulations contained in the definition of "Full-time Student" has been corrected to 34 CFR 682.200. New definitions have been added to provide the acronyms for both the Illinois Board of Higher Education (IBHE) and the Illinois State Board of Education (ISBE).

The definition of "Institution of Higher Learning" has been amended to reflect statutory provisions of Public Act 90-122, which became effective on July 17, 1997. This law extended eligibility for some ISAC gift assistance programs to students at certain degree-granting, IBHE-approved proprietary institutions. The definition of "PLUS" has been modified to reflect that is now the official name of the program and that it is no longer an acronym. Certain clarifications have been added to the definition of "Resident of Illinois." The language "true, fixed and permanent home" which appears in the Free Application for Federal Student Aid (FAFSA) has been incorporated into ISAC rules for consistency purposes. To the extent practicable, ISAC uses the federal application and need analysis systems in administering its programs in order to simplify the process for students. In addition, for independent students, the required 12 months of continuous residency are now to be measured as of the start of the institution's academic year, rather than September 1, in recognition of the growing diversity of academic year calendars used by different schools.

In subsection (a) of Section 2700.30, the requirements for institutional eligibility have been amended to include references to statutes, federal regulations and State rules, as set forth in the Program Participation Agreement. In order to reduce the administrative burden on institutions, ISAC deleted the requirement that advanced payment requests be made

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annually, as previously contained in subsection (e) of Section 2700.30. Once an institution has made such a request, it will be deemed to remain in effect until it is withdrawn. In subsection (a)(1)(B) of Section 2720.40, the phrase "guaranteed by ISAC" has been deleted since this provision applies to all FFELP loans and not just those guaranteed by ISAC. And finally, Section 2700.80, Contractual Agreement Requirements, has been added by moving the provisions formerly located in 23 Ill. Adm. Code 2735.60. The movement of this Section from the Monetary Award program to General Provisions reflects its applicability to other gift assistance programs.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
e-mail: rmartinez@isc016r1.state.il.us

The full text of the Adopted Amendments begins on the next page



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## TITLE 23: EDUCATION AND CULTURAL RESOURCES

## SUBTITLE A: EDUCATION

## CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2700

## GENERAL PROVISIONS

## Section

2700.10 Summary and Purpose

2700.20 Definitions

2700.30 General Institutional Eligibility Requirements

2700.40 General Applicant Eligibility Requirements

2700.50 Determining Applicant Eligibility

2700.55 Electronic Data Exchanges

2700.60 Audits and Investigations

2700.70 Appeal Procedures

2700.80 Contractual Agreement Requirements

**AUTHORITY:** Implementing Sections 1 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/1 through 175]; Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq., as amended by P.L. 102-325); and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

**SOURCE:** Adopted at 9 Ill. Reg. 20783, effective January 1, 1986; amended at 11 Ill. Reg. 3167, effective January 29, 1987; amended at 11 Ill. Reg. 14099, effective August 10, 1987; amended at 12 Ill. Reg. 11510, effective July 1, 1988; amended at 13 Ill. Reg. 8626, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1700 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2700 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17854; amended at 14 Ill. Reg. 10538, effective July 1, 1990; amended at 16 Ill. Reg. 11206, effective July 1, 1992; amended at 17 Ill. Reg. 10541, effective July 1, 1993; amended at 18 Ill. Reg. 10282, effective July 1, 1994; amended at 19 Ill. Reg. 8343, effective July 1, 1995; amended at 20 Ill. Reg. 9170, effective July 1, 1996; amended at 21 Ill. Reg. 11066, effective July 18, 1997; amended at 22 Ill. Reg. 11166, effective JUL 1 1998.

## Section 2700.20 Definitions

"Academic Level" - The classification of a student as a freshman, sophomore, junior, senior, or graduate student.

"Academic Year" - In relation to scholarship and grant programs, a twelve month period of time, normally from August or September of any year through August or September of the ensuing year. In relation to the Federal Family Education Educational Loan Program, academic year is defined at Section 481(d)(2) of the Higher Education Act of 1965, as amended (HEA), and at 34 CFR 668.2.

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"Alternative Loan" - Any educational loan made or purchased by ISAC other than a loan made pursuant to Title IV of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1071 et seq.), or any other federal statute providing for federal insurance of education loans to borrowers.

"Applicant" - Any individual who requests ISAC consideration for a scholarship, grant, tuition waiver, or guaranteed or alternative loan.

"Approved High School" - Any public high school located in this State; and any high school, located in this State or elsewhere (whether designated as a high school, secondary school, academy, preparatory school, or otherwise) which in the judgment of the State Superintendent of Education provides a course of instruction at the secondary level and maintains standards of instruction substantially the equivalent of those public high schools located in this State. (Section 10 of the Higher Education Student Assistance Act [110 ILCS 947/10])

"Armed Forces" - The United States Army, Air Force, Navy, Marines and Coast Guard.

"Chargeback" - Payment of tuition by the community college district of a student's residence to the community college district of a student's attendance. (See 110 ILCS 805/6-2.)

"Citizen" - One who, under the Constitution and laws of the United States, is a native-born or naturalized citizen of the United States of America.

"College Savings Bond" - A State of Illinois general obligation, zero coupon bond, issued pursuant to the Baccalaureate Savings Act as a long-term education savings instrument.

"Co-maker" - One of the two individuals who are joint borrowers either on a Federal PLUS Loan that was certified prior to January 1, 1995 or on any Federal Consolidation loan and who are equally liable for repayment of the loan. (See 34 CFR 682.200.)

"Commission" - The ten member Illinois Student Assistance Commission created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15].

"Compound Accredited Value" - An amount equal to the original amount plus an investment return accrued to the date of determination at a semiannual compounding rate which is necessary to produce the yield at maturity indicated on the Official Statement that was issued when the college savings bonds were sold. The "Compound Accredited Value at Maturity" will be equal to \$5000 \$57998 or an integral multiple

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thereof.

"Concurrent Registration" - The simultaneous enrollment at two or more institutions.

"Consolidation" - A federal program which allows borrowers to consolidate a number of loans into one, as authorized by Section 428C of the HEA.

"Consortium Agreement" - The written agreement between two or more institutions ~~an institution~~ eligible to participate in any of the programs administered by the Illinois Student Assistance Commission (as defined in Section 2700.30 and subsequent Parts of ISAC's rules) and another institution whereby one eligible ~~the second~~ institution provides all or part of the education program of students enrolled at another ~~in the~~ eligible institution. ISAC reserves the right, after review of the agreement, to make the final decision regarding the amount, if any, and the destination of final gift assistance payment(s).

"Contractual Agreement" - The written agreement between an eligible institution and a school or organization that is not eligible for participation in ISAC-administered programs whereby the non-eligible institution provides part of the education program of students enrolled at the eligible institution, as codified in Section 2700.80.

"Correctional Officer" - An employee of the Illinois Department of Corrections (DOC) who is assigned to a security position with the Department, and who has responsibility for inmates of any correctional institution under the jurisdiction of the Department.

"Co-signer" - A person who is secondarily liable for the repayment of an Alternative Loan.

"Cost of Attendance" - For the purposes of ISAC's rules, this term is defined at Section 472 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 108711).

"Cumulative Grade Point Average" - The average grade earned throughout a student's applicable secondary or postsecondary educational program. The calculation shall be consistent with the institution's established policy or practice and shall be the same as that completed for admission, placement or other similar purposes.

"Default Status" - The failure or refusal of a borrower to make an installment payment when due or to meet other terms of the promissory note as defined at 34 CFR 682.200.

"Delinquency" - For the purposes of ISAC's rules, this term is defined

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at 34 CFR 682.411(b).

"Dependent Student" - A scholarship, loan, tuition waiver or grant applicant or recipient who is not classified as an independent student.

"Disbursement" - In relation to scholarship and grant programs, a disbursement occurs on the payment voucher date. In relation to the Federal Family Education Loan Program, disbursement is the process of transferring loan proceeds as defined at 34 CFR 682.200.

"ED" - The acronym for the United States Department of Education.

"Educational Institution" - Unless otherwise qualified, any secondary or postsecondary educational organization with enrolls students who participate in ISAC programs.

"Educational Lender" - An educational institution that meets the lender eligibility criteria outlined in 23 Ill. Adm. Code 2720.25 for FFELP Loans and 2721.40 for alternative loans.

"EFF" - The acronym for electronic funds transfer.

"Eligible Noncitizen" - A noncitizen who is eligible for federal student assistance pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1091.)

"Endorser" - A person who is secondarily liable for the repayment of a Federal PLUS Loan obligation.

"Enrolled" - The status of a student who has completed the institution's registration requirements and is attending classes.

"Executive Director" - The chief executive officer of ISAC.

"Expected Family Contribution" - The amount the student and the student's family may be reasonably expected to contribute toward the student's postsecondary education. Expected Family Contribution is defined at Section 474 of the Higher Education Act (HEA) of 1965, as amended. (See 20 U.S.C.A. 1087nn.)

"FAFSA" - The acronym for the Free Application for Federal Student Aid.

"Federal Regulations" - Refers to regulations promulgated by ED and codified at 34 CFR 600 et seq.

"FFELP" - The acronym for the Federal Family Education Loan Program, as authorized by Section 421 of the Higher Education Act, as amended,

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including subsidized and unsubsidized Federal Stafford Loans, Federal PLUS Loans, Federal SLS Loans and Federal Consolidation Loans.

"Fire Officer" - For the purposes of ISAC's rules, this term means a firefighter who is killed or permanently disabled in the line of duty while employed by, or in the voluntary service of, this State or any public entity in this State.

"Foreign Missionary" - An individual who is assigned duty outside of the United States by an organization that engages in educational, philanthropic, humanitarian or altruistic works. The missionary organization must be exempt from the payment of federal taxes and must have been engaged in placing foreign missionaries for at least five years. Examples of such missionary organizations include, but are not limited to, the following: Peace Corps, Evangelical Alliance Mission, etc.

"Full-time Student" - In relation to scholarship and grant programs, an individual enrolled for twelve or more credit hours, for either a semester or quarter term. In relation to the Federal Family Educational Loan Program, full-time student is defined at 34 CFR 682.200. 660-298.

"Gift Assistance" - Student assistance funds in the form of a scholarship, grant or tuition waiver, including, but not limited to, federal, State, institutional and private aid.

"Good Moral Character" - An applicant is of good moral character if the applicant will benefit from postsecondary instruction and is allowed to enroll at an approved postsecondary institution.

"Graduating Class" - The students who will complete the high school's program of instruction and graduate within an academic year.

"Guaranteed Loan(s)" - Loan assistance through the Federal Family Education Loan Program (FFELP) which includes the subsidized and unsubsidized Federal Stafford Loan, the Federal PLUS Loan, the Federal Supplemental Loans for Students (SLS), and the Federal Consolidation Loan programs.

"HEA" - The acronym for the Higher Education Act of 1965, as amended, and codified at 20 U.S.C.A. 1070 et seq.

"Half-time Student" - In relation to scholarship and grant programs, an individual enrolled for six or more credit hours (but fewer less than twelve credit hours) for either a semester or quarter term. In relation to the Federal Family Education Loan Program, half-time student is defined at 34 CFR 682.200.

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"Holder" - An organization authorized by ED and ISAC to purchase or retain possession of guaranteed loans. These organizations operate as commercial and educational lenders or secondary markets and may purchase ISAC-guaranteed loans from approved lenders.

"IBHE" - The acronym for the Illinois Board of Higher Education, the administrative agency created by the Board of Higher Education Act [110 ILCS 947/205].

"IDAPP" - The acronym for ISAC's Illinois Designated Account Purchase Program as authorized by the Education Loan Purchase Program Law [110 ILCS 947/125 through 170].

"Independent Student" - For the purposes of ISAC's rules, an independent student is defined by Section 480 of the Higher Education Act of 1965, as amended by P.L. 102-325. (See 20 U.S.C.A. 1087vv.)

"Institution" - Unless otherwise qualified, any secondary or postsecondary educational organization which enrolls students who participate in ISAC programs.

"Institution of Higher Learning" - An educational organization located in Illinois which:

provides at least a two-2 year program of collegiate study in liberal arts or sciences, or associate degree or both, directly applicable toward the attainment of a baccalaureate degree, or, a program in health education directly applicable toward the attainment of a certificate, diploma, or an associate degree; and

is operated either:

operated by the State, or

operated publicly or privately, not for profit, or -  
for profit, provided it:

Offers degree programs which have been approved by the IBHE for a minimum of three years under the Academic Degree Act, and

enrolls a majority of its students in these degree programs, and

maintains accredited status with the North Central Association of Colleges and Schools Commission on Institutions of Higher Education.



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"Parent" - For the purposes of ISAC's rules, this term "parent" is defined at 34 CFR 668.2.

"Pell Grant" - A federal gift assistance program administered by ED in accordance with Section 411 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1070a et seq.)

"PLUS" - The acronym for the federal Parent-Plus loan program which provides loans to parents of certain students, as authorized by Section 428B of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1078-2) and Sections 80 through 175 of the Higher Education Student Assistance Act [110 ILCS 947/80 through 175].

"Police Officer" - For the purposes of ISAC's rules, this term means a law enforcement officer who is killed or permanently disabled in the line of duty while employed by, or in the voluntary service of, this State or any public entity in this State.

"Qualified Applicant" - An individual who meets the eligibility requirements of the gift assistance program for which s/he is applying.

"Regular School Year" - An eight to nine month period of time which includes two semester terms or three quarter terms. The regular school year excludes summer terms. Terms that begin after April 15 and end before September 16 are considered summer terms.

"Remedial Courses" - The course work that prepares a student for study at the postsecondary level and is necessary for the student to pursue the eligible postsecondary program.

"Resident of Illinois" -

A dependent student is a resident of Illinois if the parent of the dependent-applicant, who is required by the instructions to complete the Free Application for Federal Student Aid (FAFSA), physically resides within the State of Illinois and Illinois is his or her true, fixed and permanent home.

An independent student is a resident of Illinois if the applicant physically resides within the State of Illinois (at the time of application), and has so resided for a period of 12 consecutive months immediately prior to the start of the academic year for which assistance is requested, and Illinois is his or her true, fixed and permanent home.

When an applicant does not qualify as a resident of Illinois under the preceding two paragraphs and the applicant is a member of the U.S. Armed Forces or a foreign missionary, or is the

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For otherwise eligible educational organizations which provide academic programs for incarcerated students, the term "institution of higher learning" shall specifically exclude academic programs for incarcerated students (Section 10 of the Higher Education Student Assistance Act).

"Institution of Record" - The postsecondary institution at which a student is enrolled and seeking a degree or certificate. This institution assumes primary responsibility for certification of eligibility for ISAC-administered programs and for requesting payment from ISAC.

"ISAC" - The acronym for the Illinois Student Assistance Commission, the administrative agency created by Section 15 of the Higher Education Student Assistance Act [110 ILCS 947/15] to administer student assistance programs.

"ISBE" - The acronym for the Illinois State Board of Education, the administrative agency created by the School Code [105 ILCS 5].

"Lender" - An organization authorized by ISAC to make educational loans to students.

"Mandatory Fees" - The charges assessed by an institution to each and every full-time student for each term. Application, graduation, laboratory, breakage, add/drop fees, and program administrative fees for out-of-state or foreign study are specifically excluded. For the purposes of ISAC's rules, tuition is not a mandatory fee.

"MAP" - The acronym for the Monetary Award Program administered by ISAC, as authorized by 110 ILCS 947/35 and codified at 23 Ill. Adm. Code 2735.

"Master Check" - A single check representing the loan proceeds for more than one borrower.

"Minority Student" - A student who is either Black (a person having origins in any of the black racial groups in Africa); Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race); Asian American (a person with origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, including Pakistan, and the Pacific Islands, including, among others, Hawaii, Melanesia, Micronesia and Polynesia); or Native American (a person who is a member of a federally or state recognized Indian tribe, or whose parents or grandparents have such membership) and to include the native people of Alaska (Section 50(a) of the Higher Education Student Assistance Act).

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dependent or the spouse of an individual who is a member of the U.S. Armed Forces or a foreign missionary, then the applicant's residency shall be determined in accordance with the following four paragraphs.

An applicant who is a member of the U.S. Armed Forces will be a resident of Illinois if the applicant physically resided in Illinois immediately prior to entering the U.S. Armed Forces, returned (or plans to return) to Illinois within six 6 months after and including the date of separation ~~the conclusion of~~ enlistment and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such enlistment.

An applicant who is a foreign missionary will be a resident of Illinois if the applicant physically resided in Illinois for six 6 continuous months immediately prior to entering missionary service, returned (or plans to return) to Illinois within six 6 months after the conclusion of missionary service, and can demonstrate (pursuant to Section 2700.50(f) and (g)) that his/her domicile was the State of Illinois throughout such missionary service.

The dependent-applicant shall be a resident of Illinois notwithstanding the parent(s)' temporary physical absence from Illinois provided the parent(s) would be a resident of Illinois under the preceding two paragraphs.

The spouse-applicant shall be a resident of Illinois immediately upon physically occupying a dwelling within the State of Illinois provided the applicant can demonstrate that his/her absence from the State was the result of residing with the spouse during enlistment or missionary service outside of Illinois and that the spouse-applicant's domicile continues to be the State of Illinois.

"Rules" - The rules of ISAC codified at 23 Ill. Adm. Code: Subtitle A, Chapter XIX.

"Satisfactory Academic Progress" - An institutional policy which establishes minimum standards of academic performance. For purposes of ISAC-administered programs, the standards must be at least as stringent as those required by ED pursuant to Section 484 of the Higher Education Act of 1965, as amended. (See 20 U.S.C.A. 1091.)

"Service Academy" - The U.S. Air Force Academy, the U.S. Coast Guard Academy, the U.S. Military Academy or the U.S. Naval Academy (Section 30(a) of the Higher Education Student Assistance Act).

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"SLS" - The acronym for the federal Supplemental Loans for Students Program, as authorized by Section 428A of the Higher Education Act, as amended (20 U.S.C.A. 1078-1). No new SLS loans have been made for periods of enrollment beginning on or after July 1, 1994.

"Special Education" - A postsecondary educational program designed to teach persons how to meet the needs of all children designated as physically disabled handicapped, with specific learning disabilities, or requiring extraordinary special education services and facilities. (See 105 ILCS 5/14-1.02 and 7.20a.) These programs prepare persons for meeting the needs of children who exhibit disabilities handicapping or exceptional characteristics ranging from very mild to very severe. (See 23 Ill. Adm. Code 226, Special Education.) Such a program prepares a student to teach physically disabled handicapped children or children with learning disabilities. (See 105 ILCS 5/14-1.02 and 1.03a.)

"Stafford" - The federal subsidized and unsubsidized loan programs as authorized by Sections 427, 428 and 428H of the Higher Education Act, as amended (20 U.S.C.A. 1078).

"Student Beneficiary" - An individual designated as the recipient of a College Savings Bond Bonus Incentive Grant.

"Teacher Education Program" - An undergraduate postsecondary course of study which, upon completion, qualifies a student to be certified as a pre-school, elementary or secondary teacher by a state board of education or its equivalent (including the Illinois State Board of Education). For a student who has completed less than four semesters/six quarters of postsecondary study, this includes a postsecondary course of study which leads to a teacher education program.

"Teacher Shortage Discipline" - An academic discipline in which a shortage of teachers exists in Illinois, as designated by the Illinois State Board of Education.

"Term" - A unit of time for student attendance, including, but not limited to, a quarter or semester.

"Tuition" - The charge for instruction assessed by an a-postsecondary institution.

"Verification" - Procedures implemented by postsecondary institutions to verify the eligibility of applicants. The procedures are established by 34 CFR 668 et seq. and by ISAC's rules.

(Source: Amended at 22 Ill. Reg. \_\_\_\_\_, effective \_\_\_\_\_)

Ill. Chicago Kent

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## Section 2700.30 General Institutional Eligibility Requirements

## a) ISAC Program Participation Agreement

- 1) All institutions shall execute an ISAC Program Participation Agreement in order to participate in ISAC gift assistance programs.

- 2) The ISAC Program Participation Agreement shall identify the ISAC programs under which the institution's students may receive benefits.

- 3) The ISAC Program Participation Agreement shall include provisions requiring institutions to comply with statutes, federal rules-and regulations and State rules.

- 4) The ISAC Program Participation Agreement may be modified or terminated in accordance with 23 Ill. Adm. Code 2790, Limitation, Suspension or Termination Proceedings.

- b) With respect to ISAC student assistance programs, institutions shall develop and maintain procedures to verify the consistency and accuracy of information received from their enrolled recipients.

- c) Institutions shall be subject to possible limitation, suspension or termination of eligibility for failure to comply with statutes, regulations, rules or procedures and for failure to maintain the standards required by this Section for initial participation. (See 23 Ill. Adm. Code 2790.)

- d) Postsecondary institutions which participate in gift assistance programs shall annually submit to ISAC a copy of both their satisfactory academic progress policy and their tuition refund policy. Public postsecondary institutions shall also submit a copy of their policy establishing a minimum grade point average for recipients of grants pursuant to the Illinois National Guard Grant Program and the Illinois Veteran Grant Program. Such submissions shall not be considered ISAC approval of such policies.

- e) Postsecondary institutions which participate in gift assistance programs shall annually report their tuition and fee charges--~~as well as--~~advance--payment--requester to ISAC on or before June 1 preceding each academic year.

- 1) Failure to report any cost changes by the deadline will cause the prior year's charges to be used as part of the calculation process for gift assistance benefits. Failure to report the assessment of a fee charge by the deadline will result in that fee charge being ineligible for payment under ISAC gift assistance programs.

- 2) The report shall match specific fee charges with the gift assistance program(s) which may finance the fee. Such categorizations by the institution shall not be considered ISAC approval.

- 3) The Illinois National Guard Grant and the Illinois Veteran Grant (IVG) Programs may finance only a portion of certain fee charges. (See 23 Ill. Adm. Code 2730.10(c) and 2733.20(f).)

- A) Example: One fee finances both tuition and text book

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expenses. Only the portion of the fee which is attributable to tuition expenses may be financed with program benefits.

- B) Institutions with such a fee shall certify what percentage of the fee is eligible to be financed with program benefits. Certification shall be performed by the institution's chief fiscal officer.

- f) Institutions shall submit additional reports, data and information to ISAC as may be requested. These inquiries include, but are not limited to, surveys, enrollment confirmations and evaluation instruments.

- g) Additional institutional eligibility requirements are contained in subsequent Parts of ISAC's rules.

- h) Postsecondary institutions may apply to participate in ISAC-guaranteed loan programs in accordance with 23 Ill. Adm. Code 2720.

- i) Postsecondary institutions may apply to participate in ISAC gift assistance programs in accordance with this subsection.

- 1) The Commission approves participation in ISAC gift assistance programs for an institution rather than for specific academic programs within an institution.

- 2) Prior to applying for participation in ISAC gift assistance programs, the institutional applicant must have authority to operate a postsecondary institution in Illinois. (See 23 Ill. Adm. Code 1030.)

- 3) Institutional applicants which are fully accredited by the North Central Association and have degree-granting authority may be approved to participate in ISAC gift assistance programs provided the institution meets and maintains the requirements of subsections (i)(4)(C) and (D) below.

- 4) Institutional applicants which do not meet the requirements of subsection (i)(3) above may be approved to participate in ISAC gift assistance programs if the institution has:
  - A) obtained candidate status for North Central accreditation.

- B) applied for and is seeking degree-granting authority.
- C) obtained at least three letters indicating the transferability of academic credit from the applicant institution to other institutions. The letters must be from institutions which are approved to participate in the Monetary Award Program (MAP) and are fully accredited by the North Central Association. (See 23 Ill. Adm. Code 2735.60.)

- D) an adequate number of qualified persons to administer their responsibilities under ISAC's rules. In determining whether an institution employs an adequate number of qualified persons, the Commission considers the number of students aided, the number of programs in which the institution participates, the number of applications evaluated, the amount of funds administered, and the financial aid delivery system used by the institution.

- 5) Institutional applicants must also supply ISAC with audited



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financial statements, prepared by an independent third party in accordance with generally accepted accounting principles, to establish financial responsibility. (See, e.g., 34 CFR 668.15.)

6) Once approved to participate in ISAC gift assistance programs by the Commission, an institution shall receive provisional eligibility for a minimum of five academic years.

A) On or before June 1 preceding each academic year, an institution with provisional eligibility shall annually submit three letters indicating the transferability of academic credit to other institutions for the following academic year. These letters must be from ISAC-approved MAP institutions which are fully accredited by the North Central Association.

B) An institution with provisional eligibility must petition the Commission for full eligibility. Full eligibility will be granted if the institution meets the requirements of subsection (i)(3) above and if there are no outstanding audit exceptions.

J) As a condition of eligibility for participation in ISAC student assistance programs, postsecondary institutions shall have a valid Program Participation Agreement with ED (see Section 487 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1094)) and shall report their Office of Postsecondary Education Identification (OPE-ID) number to ISAC.

K) In order to begin and to continue participation in ISAC-administered student assistance programs, institutions must also demonstrate administrative capability and financial responsibility, as defined by federal regulations. (See, e.g., 34 CFR 668.15 & 668.16.) An institution's failure to meet and maintain those standards can lead to limitation, suspension or termination proceedings. (See 23 Ill. Adm. Code 2790.)

1) Institutions that have been assigned multiple OPE-ID numbers will be considered separate entities by ISAC.

M) An institution shall notify ISAC of its Federal Employer Identification Number (FEIN) in order to receive payment pursuant to any ISAC-administered program.

(Source: Amended 301.01 1998 22 Ill. Reg. 11072, effective \_\_\_\_\_)

## Section 2700.40 General Applicant Eligibility Requirements

a) Except as otherwise provided by this subsection, an applicant with a defaulted loan made pursuant to Title IV of the Higher Education Act is not eligible for benefits under ISAC-administered programs.

1) Eligibility for guaranteed loans may be reinstated in accordance with federal regulations and the following provisions:

A) Eligibility for ISAC-guaranteed loans will be reinstated when:

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i) the debt has been paid in full;

ii) the borrower has made a "satisfactory repayment arrangement," in accordance with 34 CFR 682.200;

iii) the borrower's prior defaulted loan(s) has been rehabilitated, in accordance with 34 CFR 682.405; or

iv) the borrower has made payments on a defaulted loan(s) to consolidate that loan(s) in accordance with 34 CFR 682.201.

B) Borrowers are eligible to use subsection (A)(ii) above only one time during the entire life of any loan guaranteed-by ISAC.

C) Eligibility for ISAC-administered gift assistance will be reinstated for current and future terms when the applicant has maintained a satisfactory repayment record for at least six consecutive months or has met the requirements of subsection (A)(1)(A) above. Factors to be considered by ISAC in evaluating the repayment record include: the amount of the debt, the amount of the payments received by ISAC, the employment status of the applicant, and the frequency of the applicant's contact with ISAC.

2) A qualified applicant for Illinois Veteran Grant (IVG) assistance (23 Ill. Adm. Code 2733) shall be permitted one term of assistance during which a satisfactory repayment record, as defined by subsection (A)(1)(C) above, must be established. If such a repayment record is not established, additional assistance shall be denied until a satisfactory repayment record is established.

b) No applicant shall receive ISAC-administered assistance if the applicant owes a refund for any ISAC-administered gift assistance, a Federal Federal Pell Grant, or a Federal Federal Supplemental Educational Opportunity Grant (FSEOG) (20 U.S.C.A. 1070(b)).

c) An applicant shall, upon request, provide documentation to establish and verify eligibility. (See Section 2700.50.) Failure to supply adequate documentation will result in the denial of student assistance benefits.

d) An applicant supplying fraudulent data shall be denied assistance and may also be subject to prosecution by the Illinois Attorney General, United States Department of Justice and/or an Illinois State's Attorney.

e) Each applicant Applicants must submit his/her their Social Security Number (SSN).

f) Recipients who cease to be residents of Illinois after notification of eligibility may complete the academic year with the assistance awarded.

g) Unless otherwise provided, benefits under gift assistance programs are subject to the limits of dollars appropriated to ISAC by the Illinois General Assembly and approved by the Governor. Benefits under gift assistance programs are generally limited to the regular school year. If funding is available, assistance for summer terms shall be awarded

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- separately.
- h) When gift assistance eligibility is limited to a specified number of term payments, the eligibility cap is calculated in accordance with this subsection.
- 1) For each semester term of full-time payment benefits, the recipient is assessed six eligibility units. For each quarter term of full-time payment benefits, the recipient is assessed four eligibility units.
- 2) For each semester term of half-time payment benefits, the recipient is assessed three eligibility units. For each quarter term of half-time payment benefits, the recipient is assessed two eligibility units.
- 3) Sixty eligibility units are the equivalent of payments for ten semesters/fifteen quarters of full-time benefits.
- 4) Forty-eight eligibility units are the equivalent of payments for eight semesters/twelve quarters of full-time benefits.
- i) An applicant shall comply with Selective Service registration requirements, pursuant to 34 CFR 668.31 et seq.
- j) Except for grants pursuant to 23 Ill. Adm. Code 2730 (Illinois National Guard Grant Program) and 23 Ill. Adm. Code 2733 (Illinois Veteran Grant Program), an applicant must be maintaining satisfactory academic progress in accordance with the institution's policy.
- k) Students enrolled in academic programs while incarcerated are ineligible for ISAC gift assistance benefits, except for Illinois National Guard Grant and Illinois Veteran Grant program recipients.

(Source: Amended at 22 Ill. Reg. 11072, effective JUL 01 1988)

Section 2700.50 Determining Applicant Eligibility

- a) The evaluation of applicant eligibility is the responsibility of both the institution and ISAC.
- b) No applicant is announced eligible for assistance by ISAC unless the application establishes prima facie eligibility. ISAC consults with other appropriate state and federal agencies in the process of reviewing application data. Such agencies include, but are not limited to, the U.S. Department of Education (ED), U.S. Internal Revenue Service (IRS), U.S. Department of Immigration and Naturalization Service (INS), Illinois Department of Public Aid, Illinois Department of Revenue, and Illinois Department of Children and Family Services.
- c) When requesting payment for ISAC gift assistance programs, the postsecondary institution must certify that the applicants are eligible for the assistance. If an institution subsequently determines a student is no longer eligible for all or part of the awarded assistance, the institution must inform ISAC and submit the appropriate refund within 60 days after the receipt of payment or the end of a term, whichever is later.
- When requesting payment of benefits, institutions shall certify (in

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- accordance with ISAC's rules and/or federal regulations) whether an applicant is eligible based upon enrollment in a particular academic program.
- e) If an institution erroneously certifies an applicant to be eligible for ISAC gift assistance programs, ISAC will recover the erroneous payment from the institution. Any student who obtained ISAC-administered funds by submitting inaccurate information to an institution must tender restitution to the institution to be eligible for ISAC assistance at that institution.
- f) If an applicant is selected for verification in conjunction with federal student assistance, that applicant shall also be verified for ISAC-administered programs. A selected applicant must be verified for ISAC programs even if the applicant is ineligible for federal student assistance.
- g) Because ED verification procedures do not include procedures for verifying a student as a resident of Illinois, the following provisions shall be followed by the institution institutions.
- 1) Notwithstanding the requirements of subsection (g)(2) below, residency verification shall not be required for students who received payment of a MAP award during the previous academic year.
- 2) Residency status shall be verified for each applicant who is selected for verification and meets one of the following criteria:
- A) the applicant has changed dependency status and has become an independent student; or
- B) the applicant has not been enrolled in an ISAC-approved MAP institution or an ISAC-approved Illinois high school (see Section 2700.30) during the preceding twelve months; or
- C) the institution has any information which indicates the applicant may not be a resident of Illinois.

- 3) Data from one or more of the documents listed below may provide proof that an applicant (or parent) is an Illinois resident, as defined in Section 2700.20. For an independent student applicant, the dates recorded on the documents must indicate the applicant has resided in Illinois for the relevant twelve continuous, full months.
- A) A valid State or federal income tax return
- B) Illinois high school or college transcript
- C) Illinois driver's license
- D) Utility or rent bills in the applicant's (or parent's) name
- E) Illinois auto registration card
- F) Residential lease in the applicant's (or parent's) name
- G) Wage and tax statements (IRS Form W-2)
- H) Statement of benefits history from the Illinois Department of Public Aid
- I) State of Illinois identification card issued by the Secretary of State
- J) Statement of benefits from the Illinois Department of

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## Employment Security.

- 4) If an applicant is a resident of Illinois, but the institution cannot document this fact in accordance with subsection (g)(2) above, the applicant or the institution may verify residency through ISAC's appeal process. (See Section 2700.70.)
- h) Institutions may request first term payment even though verification is not yet complete. If, after verification, an ISAC payment adjustment is appropriate, institutions must submit the appropriate refund. If verification is not completed within 60 days after the conclusion of the regular school year, the institution shall return the first term payment to ISAC. For other than the first term of eligibility in an academic year, the verification process must be completed before the institution may request payment.
- i) When an institution adjusts an applicant's eligibility pursuant to Title IV, Part F, of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1087kk et seq.), the institution shall retain documentation which demonstrates the appropriateness of such adjustment.

(Source: Amended at 22 Ill. Reg. 11072, effective JUL 01 1988)

## Section 2700.55 Electronic Data Exchanges

- a) ISAC will provide eligible institutions and lenders with electronic data regarding applicants. In return, institutions and lenders will provide ISAC with electronic data on applicants as required by ISAC's rules.
- b) Information on the availability of electronic data exchanges shall be provided in ISAC publications. To participate in electronic data exchanges, the institution or lender shall:
- 1) meet the eligibility guidelines established by ISAC;
  - 2) execute a written agreement with ISAC, outlining the conditions of participation; and
  - 3) select a machine readable medium for teletransmission.
- c) In the event the medium is lost, damaged, mutilated or erased, the party responsible shall bear the cost of replacing or restoring the medium.
- d) ISAC shall provide program documentation and reasonable technical assistance related to data exchanges. The data and program documentation shall be confidential and shall not be used, sold or shared for any purpose other than that which is directly related to the internal operations of the institution, lender or ISAC.
- e) Institutions and lenders participating in direct teletransmission data exchanges shall be provided with security procedures including access codes and passwords. Institutions and lenders shall be responsible for implementing appropriate safeguard procedures to protect the integrity of the data transmitted or received.
- f) Institutions and lenders shall comply with all applicable federal and State laws which regulate the privacy of, and access to, applicant

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data. (See, e.g., the Family Educational Rights and Privacy Act (20 U.S.C.A. 1232g); the Freedom of Information Act [5 ILCS 140]; Section 487 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1094); and 34 CFR 682.610.)

(Source: Amended at 22 Ill. Reg. 11072, effective JUL 01 1988)

## Section 2700.60 Audits and Investigations

- a) ISAC shall audit participating postsecondary institutions. Postsecondary institutions shall be audited once every three years (schedule permitting) unless more frequent audits appear to be necessary due to circumstances such as: substantial increases in student enrollment, evidence that the institution is experiencing difficulty meeting the requirements of ISAC's rules or federal regulations, or discrepancies in past audits conducted by ISAC. Institutions with provisional eligibility shall be audited annually, schedule permitting. Secondary institutions may be audited when ISAC has a complaint indicating an audit is appropriate. Audits shall usually be announced, but ISAC reserves the right to make unannounced audits.
- b) ISAC shall have access to all records related to ISAC programs. These records include, but are not limited to: admission records, financial records, registration records, attendance and enrollment records, financial aid transcripts, grades, academic transcripts and records maintained in accordance with ED verification procedures.
- c) ISAC audits shall be conducted in accordance with generally accepted audit standards as promulgated by the U.S. General Accounting Office publication "Standards for Audit of Governmental Organizations, Program Activities and Functions," where applicable.
- d) The institution shall be extended an opportunity to review and comment on the auditor's preliminary findings before the final audit report is submitted to the institution's chief executive officer. Audit findings may be appealed in accordance with Section 2700.70, Appeal procedures.
- e) If an audit identifies gift assistance funds which were claimed on behalf of ineligible students, the funds shall be deducted from subsequent payments to the institution.
- f) ISAC may visit institutions to conduct investigations related to fraud and abuse of its ISAE programs. Campus administrators and/or campus security police may be consulted as part of any ongoing investigation.

(Source: Amended at 21 Ill. Reg. 11066, effective July 18, 1997)

## Section 2700.80 Contractual Agreement Requirements

- a) The primary purpose of an ISAC-approved contractual course of study must be educational and must lead to, and be required for, a degree or

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health education certificate in a published course of study offered by an ISAC-approved institution.

All contractual agreements between ISAC-approved public institutions and non-approved institutions must involve programs approved by the Illinois Board of Higher Education (IBHE). (See 23 Ill. Adm. Code 1050.) All ISAC-approved institutions not governed by the IBHE program review and approval procedures shall submit their contractual agreements to ISAC for approval prior to requesting MAP payment for any contractual courses. ISAC may approve the contractual agreement if the terms are consistent with this Section.

The institution of record must be an ISAC-approved institution. An ISAC-approved institution may enter into a contractual agreement with a non-approved institution/agency only if the ISAC-approved institution does not have faculty and specific educational facilities available within the institution to offer the Illinois Board of Higher Education-approved programs.

All ISAC-approved institutions are required to submit to ISAC a published curriculum of all courses leading to a certificate or degree in all programs involving contractual agreements between two or more institutions/agencies. Only courses required for these programs that are included in the published curriculum will be eligible for ISAC payment. Furthermore, only those courses approved by the Illinois Community College Board for baccalaureate-transfer or vocational programs in the public community colleges will be eligible for ISAC payment at the public community colleges.

The Chief Executive Officer of the ISAC-approved institution not subject to IBHE contractual guidelines and/or program review and approval procedures shall certify in a statement to ISAC that:

1) According to the contract with the non-approved institution, the following items are the responsibility of the ISAC-approved institution:

A) administrative responsibility for the program;

B) provisions for program supervision, including on-site visits;

C) procedures for the maintenance of records and transcripts;

D) number of credit hours required and criteria for course completion within the program;

E) statement on student tuition, mandatory fees and other charges;

F) faculty employment and evaluation;

G) availability of student auxiliary services;

H) maintenance of liability insurance;

I) establishment and utilization of a representative advisory committee; and

J) annual program and contract review.

2) The non-approved institution/agency's policies, procedures and practices are consistent with those of the ISAC-approved institution as they relate to:

A) admissions;

B) student withdrawals; and

C) provisions for follow-up studies.

The non-approved institution/agency meets statutory requirements and is approved by appropriate State of Illinois agencies and boards; and

The contract with the non-approved institution is consistent with the policies, rules and applicable regulations of the approval agency or board that has jurisdiction over the institution/agency.

ISAC requires all ISAC-approved institutions to indicate the percentage of their own students who participate in the contractual program(s) of study, and the percentage of all students enrolled in the non-approved institution/agency who will receive tuition assistance through an approved contractual agreement. When either of these percentages exceeds 30%, the contractual agreement will not be approved by ISAC.

All students wishing to enter into programs where contractual courses are taken must be informed by the ISAC-approved institution whether these courses are eligible for ISAC payment.

The contractual agreement shall be filed with ISAC along with annual tuition and fee charges. (See 23 Ill. Adm. Code 2700.30(e).)

(Source: Added at 22 Ill. Reg. effective JUL 01 1998)

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## ILLINOIS STUDENT ASSISTANCE COMMISSION

## NOTICE OF ADOPTED AMENDMENTS

- 1) Heading of the Part: Illinois Incentive For Access (IIA) Program
- 2) Code Citation: 23 Ill. Adm. Code 2736
- 3) Section Numbers: Adopted Action:  
2736.10 Amendment  
2736.20 Amendment  
2736.30 Amendment
- 4) Statutory Authority: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].
- 5) Effective Date of Rule(s) Amendments: July 1, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: June 8, 1998
- 9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2832
- 10) Has JCAR issued a Statement of Objections to these amendments? No
- 11) Difference(s) between proposed and final version: None
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these amendments replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments: Subsection (b)(2) of Section 2736.20 has been deleted since it duplicates a clause already contained in General Provisions, at 23 Ill. Adm. Code 2700.40(k). In subsection (a)(2) of Section 2736.30, the new program name of "Temporary Assistance for Needy

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Families" has been substituted for "Aid to Families with Dependent Children," which it has replaced.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
email: rmartinez@isc016rl.state.il.us

The full text of the Adopted Amendments begins on the next page.

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NOTICE OF ADOPTED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES  
SUBTITLE A: EDUCATION  
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2736  
ILLINOIS INCENTIVE FOR ACCESS (IIA) PROGRAM

Section  
2736.10 Summary and Purpose  
2736.20 Applicant Eligibility  
2736.30 Program Procedures  
2736.40 Institutional Procedures

AUTHORITY: Implementing Section 36 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/36 and 20(f)].

SOURCE: Emergency rules adopted at 20 Ill. Reg. 10397, effective August 1, 1996, for a maximum of 150 days; adopted at 20 Ill. Reg. 15067, effective November 15, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11110, effective July 18, 1997; amended at 22 Ill. Reg. 11095, effective JUL 01 1998.

Section 2736.10 Summary and Purpose

- a) The Illinois Incentive for Access (IIA) Program provides grant assistance to freshmen who have a limited ability to pay for college. The purpose of the program is to provide access and retention for this population and, possibly, to reduce their loan debt.
- b) This part establishes rules which govern the IIA Illinois-Incentive for-Access Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. 11095, effective JUL 01 1998.)

Section 2736.20 Applicant Eligibility

- a) A qualified applicant shall be:
- 1) a citizen or eligible noncitizen;
  - 2) a resident of Illinois;
  - 3) an undergraduate student;
  - 4) officially classified by the institution as a freshman;
  - 5) enrolled at an ISAC-approved institution of higher learning;
  - 6) enrolled in an eligible degree or certificate program (see 23 Ill. Adm. Code 2735.20(a)(4));
  - 7) institution's tuition refund/withdrawal adjustment period;

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- 8) making satisfactory academic progress as determined by the institution; and
  - 9) without personal or family financial resources available for expenditure toward educational expenses, as defined by current federal student financial aid methodology (i.e., \$0 Expected Family Contribution).
- a) A qualified applicant shall not--it have previously received a baccalaureate degree--or 2) be-incarcerated--

(Source: Amended at 22 Ill. Reg. 11095, effective JUL 01 1998.)

Section 2736.30 Program Procedures

- a) An applicant applies for an IIA grant by using the form which the United States Department of Education (ED) designates as the application form for federal student financial aid. (See 20 U.S.C.A. 1070a.) This is also the application form used for the Monetary Award Program (MAP) grant. (See 23 Ill. Adm. Code 2735.30(a).)
- 1) An applicant must authorize ED to release his/her data to ISAC.
- 2) An applicant, spouse and/or parents of the applicant, as applicable, are required to submit financial information on the application regarding income, asset value and non-taxable income (e.g., Temporary Assistance for Needy Families Add-to-Panities with-Dependent-Children, public aid, veterans' benefits or Social Security benefits). This information shall be kept confidential.
- 3) A recipient An-applicant must report to the institution all additional gift assistance, such as tuition waivers and scholarships.
- 4) An applicant must file his/her application by the deadline date established by ISAC.

- b) A qualified applicant may receive one grant of up to \$500.
- c) The application must be complete at the time the grant is awarded. ISAC must have accurate data to properly determine an applicant's eligibility. If changes or corrections are necessary after receipt of corrected data, ISAC shall recalculate awards for those applicants whose applications are not in agreement with their financial records.
- d) It is the responsibility of IIA grant applicants to gain admission to approved Illinois institutions. Illinois institutions are not obligated to admit IIA applicants.
- e) IIA grant payment is subject to the limit of dollars appropriated to ISAC by the Illinois General Assembly. If funds are insufficient to pay all claims, grants will be awarded according to the date the completed applications were received until funds have been expended.
- f) ISAC must submit a written evaluation of the IIA Illinois-Incentive for-Access Program to the Governor, the General Assembly and the Board of Higher Education, including a report of the progress made toward



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the goal of increasing the access and retention rates for IIA grant recipients. Therefore, ISAC may collect data from institutions to comply with this requirement.

- g) IIA grants are applicable to any expense that is used to calculate the applicant's cost of attendance.
- h) The IIA grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) test or for a high school diploma. (See, e.g., 23 Ill. Adm. Code 215.)
- i) The IIA grant shall not pay for audit courses, credit-by-examination and/or life experience, noncredit course offerings (except qualifying remedial courses) or correspondence courses. Such course work cannot be used to meet the half-time requirement. Remedial courses shall be eligible for IIA payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as a part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours). Repeat courses are eligible for IIA payment.
- j) An institution is obligated to provide IIA recipients the same facilities and instruction, on the same terms, as those provided to other students.

(Source: Amended at 22 Ill. Reg. effective  
JUL 01 1998)

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## NOTICE OF ADOPTED AMENDMENT(S)

- 1) Heading of the Part: Illinois National Guard (ING) Grant Program
- 2) Code Citation: 23 Ill. Adm. Code 2730
- 3) Section Numbers: Adopted Action:  
2730.10 Amendment  
2730.20 Amendment  
2730.30 Amendment  
2730.40 Amendment
- 4) Statutory Authority: Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].
- 5) Effective Date of Rule(s) Amendments: July 1, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: June 8, 1998
- 9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2837
- 10) Has JCAR issued a Statement of Objections to these amendments? No
- 11) Difference(s) between proposed and final version: In subsection (c) of Section 2730.40, the rationale was added to the text (i.e., to track the recipient's use of eligibility units) so that institutions understand why credit and noncredit hours must be reported when requesting payment. There was some concern about this proposed amendment, which is actually a clarification of an existing reporting requirement. ISAC is only interested in the total number of hours for which payment is being requested on behalf of a recipient. This agency is not requiring that credit and noncredit hours be reported separately. The revised language reflects ISAC's intent and more clearly describes what this agency needs in a payment request.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these amendments replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement

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State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

In subsection (d) of Section 2730.20, the provision for verification of address changes has been removed since it is archaic, costly and unnecessary. In subsection (f)(1) of Section 2730.30 and again in subsection (c) of Section 2730.40, language has been added to clarify that institutions must report to ISAC any noncredit hours for which benefits are used, so that we may accurately track the use of eligibility units. Also, language regarding chargebacks has been added to subsection (e)(5) of Section 2730.40 in order to conform to the language used in the corresponding provision of the Illinois Veteran Grant Program, which is set forth in subsection (f)(5) of Section 2733.40.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
email: rmartinez@isc016rl.state.il.us

The full text of the Adopted Amendments begins on the next page:

## ILLINOIS STUDENT ASSISTANCE COMMISSION

## NOTICE OF ADOPTED AMENDMENT(S)

## TITLE 23: EDUCATION AND CULTURAL RESOURCES

## SUBTITLE A: EDUCATION

## CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2730

## ILLINOIS NATIONAL GUARD (ING) GRANT PROGRAM

Section	Summary and Purpose
2730.10	Applicant Eligibility
2730.20	Program Procedures
2730.30	Institutional Procedures
2730.40	

**AUTHORITY:** Implementing Section 45 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/45 and 20(f)].

**SOURCE:** Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; rules repealed at 6 Ill. Reg. 8239, effective June 30, 1982; new rules adopted at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10877; amended at 8 Ill. Reg. 17016, effective September 5, 1984; amended at 9 Ill. Reg. 20827, effective January 1, 1986; amended at 11 Ill. Reg. 3202, effective January 29, 1987; amended at 12 Ill. Reg. 11531, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1730 (State Scholarship Commission) pursuant to P.A. 86-168, effective July 1, 1990; amended at 16 Ill. Reg. 11254, effective July 1, 1992; amended at 17 Ill. Reg. 10563, effective July 1, 1993; amended at 18 Ill. Reg. 10303, effective July 1, 1994; amended at 20 Ill. Reg. 9187, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11119, effective July 18, 1997; amended at 22 Ill. Reg. 11101, effective JUL 01 1998.

## Section 2730.10 Summary and Purpose

- a) As described in this Part, eligible Eligible recipients are entitled to an exemption from payment of tuition and certain fees at State universities and community colleges as described in this Part. If funds appropriated for the Illinois Student Assistance Commission (ISAC) are insufficient to reimburse public postsecondary institutions for all recipients, the obligation to pay is transferred to the educational institution.
- b) This Part establishes rules which govern the Illinois National Guard Grant Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. JUL 01 1998 effective

11100)

## ILLINOIS STUDENT ASSISTANCE COMMISSION

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## Section 2730.20 Applicant Eligibility

- a) Students must file an application annually indicating the institution to be attended. No payment will be authorized for any applicant until a current application is on file. The deadline for applications will be September 15 for first term, March 1 for second semester/second and third quarter, and June 15 for the summer term. Institution of attendance changes must also be reported by these dates.

- 1) Qualified applicants will receive an eligibility letter from ISAC for each academic year following the filing of the application. This letter must be delivered to the ~~educational~~ institution at which the student is enrolled. Ineligible applicants will receive written notification from ISAC of their ineligibility to receive program benefits; and

- 2) ISAC will verify application data in consultation with the Illinois Department of Military Affairs when reviewing an application.

- b) Applicants must have served for at least one year in the Illinois National Guard. Eligibility is available to any enlisted person or any company grade officer including warrant officers, first and second lieutenants, and captains in the Army and Air National Guard.

- c) Recipients must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.

- d) Changes of address, name, status with the Illinois National Guard, or institution of attendance must be reported in writing to ISAC. ~~Verification of receipt of changes sent to ISAC will be mailed directly to the applicant's address on record with ISAC.~~

(Source: Amended 22 Ill. Reg. 11100, effective JUL 1 1998)

## Section 2730.30 Program Procedures

- a) The recipient is exempt from paying the following:
- 1) tuition;
  - 2) registration fees;
  - 3) graduation fees; and
  - 4) general activity fees.
- b) The recipient is responsible for payment of other fees, including the following:
- 1) book rental fees;
  - 2) laboratory and supply fees;
  - 3) air flight fees;
  - 4) hospital and health insurance fees;
  - 5) room and board;
  - 6) parking fees;
  - 7) student union fees;
  - 8) athletic fees; and

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- c) proficiency or placement exam(s) and other similar fees. Benefits are applicable to both undergraduate and graduate enrollment. There is no minimum credit-hour enrollment requirement. Benefits are applicable for noncredit courses.

- d) Benefits may be used at Illinois public senior universities and at any Illinois public community college.

- e) Within the constraints of appropriation levels, two semester or three quarter term payments and one summer term payment are made directly to the institution after it officially certifies to ISAC that the applicant has registered and is attending classes. No seminars or other special terms are covered under the grant. Summer term is considered the final term of the academic and fiscal year.

- f) Recipients are entitled to receive benefits for the equivalent of eight semesters/twelve quarters of full-time enrollment.

- 1) To determine the amount of eligibility a recipient has used, credit hours (and noncredit hours for which benefits are used) will be converted to "eligibility units" according to the following chart:

Number of Hours	Semester School	Quarter School
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
0 - 2.99 hours	1 unit	1 unit

- 2) Recipients may continue to reapply and accumulate up to 96 units, after which point eligibility for program benefits will cease.

- 3) If an eligible recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive a grant for costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.

- 4) In the event that the recipient withdraws from a course(s) prior to the end of a term, eligibility units will be assessed in proportion to the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.

Example: A recipient is enrolled for twelve semester hours at a cost of \$600. The recipient withdraws from enrollment and incurs expenses of \$300 in accordance with the institution's tuition refund policy. The recipient would use six eligibility units and would receive \$300 in benefits.

- 5) The eligibility units used for a noncredit course shall be the same as the number of eligibility units used for a credit course



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claims must be submitted no later than 30 calendar days after payment information has been sent to the institution by ISAC. Supplemental payment claims must be submitted to ISAC no later than 45 calendar days after the original payment information was sent to the institution with the exception of summer term supplements which must be submitted by the same deadline as the original payment claim for summer term. All payment claims received by ISAC after the designated dates will be paid or prorated during the fiscal lapse period (July 1 through August 31) following the conclusion of the fiscal year.

e)d) Claims will be paid as follows:  
1) first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all claims in full;

2) if funds remain after first semester and first quarter claims are paid, then second semester and second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full;

3) if funds still remain after the preceding claims are paid, summer term claims received by the designated deadline date will be paid, or prorated if remaining funds are insufficient to pay all summer claims in full; and

4) in the event that funds are not exhausted by summer term payments, claims received after the designated deadline dates will be paid or prorated.

5) If funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state and out-of-district/state tuition will be paid for recipients who do not qualify for chargebacks, or prorated if funds remaining are insufficient to pay all such claims grants in full.

f) Payments on behalf of a recipient will be made to only one institution per term. For any institution that has a concurrent registration opportunity, the same payment policy will be in effect as that used in the Monetary Award Program. (See: 23 Ill. Adm. Code 2735.40(h).)

g) Institutions are required to reconcile payments received through this program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds to ISAC.

(Source: Amended at 22 Ill. Reg. effective JUL 01 1998)

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having the same number of total faculty contact hours.

g) If a current year applicant is discharged or has membership extended by the Illinois National Guard, ISAC will send a revised eligibility letter or ineligibility letter to the applicant. In the case of discharge, a copy of the letter will be sent to the institution of record.

h) If a recipient ceases to be a member of the Illinois National Guard during a term, benefits cease, and the student is responsible for the unpaid costs attributed to the remainder of the term. If an applicant becomes eligible during a term, in accordance with Section 2730.20(b), benefits will be prorated for that portion of the term for which the applicant is eligible, provided the application is submitted by the deadlines. Costs are prorated on the basis of the institution's scheduled days of instruction minus institutionally scheduled holidays and examination periods.

Calculation: Total tuition cost divided by total instructional days = cost per day x days of eligibility = total proration.

i) Out-of-state residents will receive tuition and applicable fee benefits equivalent to those received by in-state residents at the Illinois institution; recipients attending out-of-district community colleges will receive tuition and applicable fee benefits equivalent to those at the in-district rate. Recipients shall not be responsible for paying the difference between in-state and out-of-state tuition nor will they be responsible for paying the difference between in-district and out-of-district tuition.

j) If a student is eligible for both an Illinois National Guard Grant and a MAP grant award, the Illinois National Guard benefits must be used first. A student cannot decline an Illinois National Guard Grant in favor of using MAP.

(Source: Amended at 22 Ill. Reg. effective JUL 01 1998)

Section 2730.40 Institutional Procedures

a) The institution must establish a qualified applicant's initial eligibility before requesting payment from ISAC. A valid Illinois National Guard Grant eligibility letter may be used for this purpose.

b) When submitting payment requests, the institution shall certify that the recipient meets the requirements of Section 2730.20(c), Applicant Eligibility.

c) Institutions must report the total number of hours for which payment is being requested (including credit and noncredit hours) so that ISAC can accurately track the recipient's use of eligibility units.

d) Payment information will be sent each term to the institution no earlier than the application deadline date for that term. Payment

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## NOTICE OF ADOPTED AMENDMENT(S)

1) Heading of the Part: Illinois Special Education Teacher Tuition Waiver (SETTW) Program

2) Code Citation: 23 Ill. Adm. Code 2765

3) Section Numbers: Adopted Action:

2765.10 Amendment

2765.20 Amendment

2765.30 Amendment

2765.40 Amendment

4) Statutory Authority: Implementing Section 65.15 and authorized by Sections 20(f) and 65.15(a)(2) of the Higher Education Student Assistance Act [110 ICS 947/65.15 and 20(f)].

5) Effective Date of Rule(s) Amendments: July 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: June 8, 1998

9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2844

10) Has JCAR issued a Statement of Objections to these amendments? No

11) Difference(s) between proposed and final version: Changes in this rulemaking were merely minor or technical in nature and were made in response to comments from the public.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will these amendments replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and Federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and

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grammatical changes throughout this Part, ISAC adopted the following substantive amendments: Subsection (a) of Section 2765.20 has been revised in response to a formatting suggestion made by JCAR staff. Subsection (j)(4) of Section 2765.30 has been added to codify the educational purpose statement contained in the Teaching Agreement/Promissory Note. Language has been added to subsection (m) of Section 2765.30 to clarify that a recipient must remain enrolled on a continuous basis during the regular school year for four years unless granted a leave of absence. Also, "armed services" has been replaced with the more accurate term "armed forces" throughout this Part, in order to make it more consistent with terminology used throughout ISAC's rules. And finally, subsection (r) of Section 2765.30 has been added to reflect the statutory requirement that a recipient must register in a teacher education program within 10 days after the commencement of a term for which benefits are received.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
email: rmartine@isc016rl.state.il.us

The full text of the Adopted Amendments begins on the next page.

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graduate student seeking initial certification in any area of Special Education;

5) attending, or planning attend, or plan to attend, Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Southern Illinois University (Carbondale), Southern Illinois University (Edwardsville), University of Illinois (Chicago), University of Illinois (Springfield), University of Illinois (Urbana) or Western Illinois University; and

6) a potential new recipient in that s/he shall have not received the Illinois Special Education Teacher Tuition Waiver in the past.

b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship (23 Ill. Adm. Code 2762), the Minority Teachers of Illinois Scholarship (23 Ill. Adm. Code 2763) or the DeBolt Teacher Shortage Scholarship (23 Ill. Adm. Code 2764), s/he shall not be eligible for an Illinois Special Education Teacher Tuition Waiver.

(Source: Amended at 22 Ill. Reg. 11107, effective JUL 01 1999)

Section 2765.30 Program Procedures

- a) A completed ISAC application for the Illinois SETTW Program Special Education-Teacher-Tuition-Waiver must be received in ISAC's Deerfield office on or before the February 15 immediately preceding the academic year for which the tuition waiver is being requested, in order to receive priority consideration for an award.
- b) ISAC applications for the Illinois SETTW Special-Education-Teacher-Tuition-Waiver Program are available from eligible institutions; the offices of Regional Superintendents of Education in Illinois; State legislative and federal Congressional offices; and ISAC's Springfield, Deerfield and Chicago offices.
- c) If the student section of an application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) On or before March 1 of each year, ISAC, on behalf of principals of public, private and parochial high schools in Illinois, will provide the Regional Superintendents of each county with a roster of the names of all students in their county who are anticipated to be qualified applicants.
- e) On or before May 15 of each year, the Regional Superintendents shall certify the eligibility of qualified applicants on a roster that shall be returned to ISAC.

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TITLE 23: EDUCATION AND CULTURAL RESOURCES  
SUBTITLE A: EDUCATION  
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2765  
ILLINOIS SPECIAL EDUCATION TEACHER TUITION WAIVER (SETTW) PROGRAM

Section  
2765.10 Summary and Purpose  
2765.20 Applicant Eligibility  
2765.30 Program Procedures  
2765.40 Institutional Procedures

AUTHORITY: Implementing Section 65.15 and authorized by Sections 20(f) and 65.15(a)(2) of the Higher Education Student Assistance Act [110 ILCS 947/20(f) and 65.15].

SOURCE: Adopted at 19 Ill. Reg. 8354, effective July 1, 1995; amended at 20 Ill. Reg. 9194, effective July 1, 1996; old Part repealed and new Part adopted at 21 Ill. Reg. 11129, effective July 18, 1997; amended at 22 Ill. Reg. 11107, effective JUL 01 1999.

Section 2765.10 Summary and Purpose

- a) The Illinois Special Education Teacher Tuition Waiver (SETTW) Program encourages current teachers and academically talented students to pursue careers as Illinois public, private or parochial elementary and secondary school teachers in any area of Special Education.
- b) This Part establishes the rules which govern the Illinois SETTW Special-Education-Teacher-Tuition-Waiver program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. 11107, effective JUL 01 1999)

Section 2765.20 Applicant Eligibility

- a) A qualified applicant shall be:
- 1) be a United States citizen or an eligible noncitizen;
  - 2) be a resident of Illinois;
  - 3) be a graduate of an Illinois approved high school (or a student scheduled to graduate from an Illinois high school by the end of the school term in which the award is made) who ranks in the upper half of his or her high school graduating class; or be a person holding a valid teaching certificate that is not in the discipline of Special Education;
  - 4) be enrolled, or accepted for enrollment, as an undergraduate or



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- f) ISAC shall award 250 Illinois Special Education Teacher Tuition Waivers annually as follows:
- 1) A maximum of 40 tuition waivers may be awarded annually to qualified applicants who hold valid teaching certificates that are not in the discipline of Special Education. If more than 40 applicants qualify under these provisions, a lottery shall be used to select 40 recipients;
  - 2) A minimum of 210 tuition waivers shall be awarded annually to high school graduates (or students scheduled to graduate) who rank in the upper half of their class. Any of the 40 tuition waivers not awarded pursuant to subsection (f)(1) of this Section shall be awarded to this group;
  - 3) ISAC shall select recipients, who do not hold valid teaching certificates, from among qualified applicants based on the highest ACT or SAT I test scores as converted according to the Illinois Standard Test Score table (see 23 Ill. Adm. Code 2760.30(b)(1) and (2)).
  - 4) A lottery will be used to determine recipients if the number of qualified applicants sharing the same Illinois Standard Test Score exceeds the number of tuition waivers to be awarded.
- g) Notice of eligibility will be sent by July 1 to each qualified applicant who is selected to receive a tuition waiver. The qualified applicant is then responsible for providing a copy of the notice of eligibility to the institution. All other qualified applicants will be notified that they were not selected.
- h) Tuition waivers are applicable towards credit for any semester/quarter within an academic year.
- i) A recipient shall be exempt from paying tuition and matriculation, graduation, activity, term or incidental fees for up to four calendar years.
- j) Prior to receiving assistance, the qualified applicant must sign a Teaching Agreement/Promissory Note, which must be submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:
- 1) ~~a--pledge--on--the--part--of~~ the recipient pledges to teach, on a full-time basis, in the field of Special Education, for two of the five years immediately following graduation or termination of enrollment, in any recognized public, private or parochial school in Illinois;
  - 2) ~~a--stipulation--that~~ if the teaching requirement is not fulfilled, the tuition waiver converts to a loan and the recipient must repay the entire amount of the tuition waiver ~~Tuition--Waiver~~ [prorated according to the fraction of the teaching obligation not completed], plus interest at a rate equal to 5% per annum; and
  - 3) ~~a--further--stipulation--that~~ the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.).

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- k) The five-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
- 1) serves, for not more than four years, as a member of the United States Armed Forces armed-services; or
  - 2) is enrolled full-time in an academic program leading to a graduate or postgraduate degree.
- l) A recipient may be granted a leave of absence by the president of the institution, or his/her ~~her--or--his~~ designee, for the following reasons:
- 1) earning funds to defray the recipient's educational expenses;
  - 2) illness of the recipient or a member of the recipient's immediate family, as established by the sworn statement of a licensed physician; or
  - 3) military service.
- m) A recipient must complete his or her course of study within six years including leave(s) of absence. A recipient must remain enrolled on a continuous basis during the regular school year for four years, unless granted a leave of absence. However, a leave of absence granted for military service shall not be considered part of the six years within which a recipient must complete a degree.
- n) A recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to initial certification as a teacher in Special Education, but not until six months have elapsed after the cessation of at least half-time enrollment in such a course of study;
  - 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
  - 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within five years after completing the postsecondary education for which the waiver was awarded.
- o) If a recipient is required to repay any portion of the tuition waiver, the repayment period shall be completed within five years after the tuition waiver converts to a loan. The five-year period may be extended if the recipient:
- 1) serves, for not more than four years, as a member of the United States Armed Forces armed-services;
  - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
  - 3) is pursuing a graduate or postgraduate degree and is enrolled on a full-time basis;
  - 4) is actively seeking and unable to find, for not more than two years, full-time employment as a Special Education teacher; or
  - 5) withdraws from a course of study leading to a teacher certification in Special Education but remains enrolled on a full-time basis in another academic discipline.

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1) Heading of the Part: Illinois Veteran Grant (IVG) Program

2) Code Citation: 23 Ill. Adm. Code 2733

3) Section Numbers: Adopted Action:  
2733.10 Amendment  
2733.20 Amendment  
2733.30 Amendment  
2733.40 Amendment

4) Statutory Authority: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/40 and 20(f)].

5) Effective Date of Rule(s) Amendments: July 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: June 8, 1998

9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2851

10) Has JCAR issued a Statement of Objections to these amendments? No

11) Difference(s) between proposed and final version: In Section 2733.20, Applicant Eligibility, the word discharge (i.e., completion of all military obligations, including active and reserve duty) has been replaced by the more accurate term separation (i.e., completion of active duty only), where applicable. In subsection (c) of Section 2733.40, the rationale was added to the text (i.e., to track the recipient's use of eligibility units) so that institutions understand why credit and noncredit hours must be reported when requesting payment. There was some concern about this proposed amendment, which is actually a clarification of an existing reporting requirement. ISAC is only interested in the total number of hours for which payment is being requested on behalf of a recipient. This agency is not requiring that credit and noncredit hours be reported separately. The revised language reflects ISAC's intent and more clearly describes what this agency needs in a payment request. And finally, a number of technical changes were made in response to public comments and suggestions from JCAR staff to clarify this rulemaking and to increase the consistency of terminology used throughout ISAC's rules. Nonetheless, no substantive programmatic changes have been made since the amendments were originally proposed.

12) Have all the changes agreed upon by the agency and JCAR been made as

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p) During the time a recipient qualifies for any of the extensions listed in subsection (o) of this Section, s/he shall not be required to make payments and interest shall not continue to accrue.

q) A recipient shall not be required to pay the amount of the tuition and fees waived if s/he becomes permanently totally disabled, as established by the sworn affidavit of a licensed physician (see e.g., 34 CFR 653.42(k)(1)); or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.

r) A recipient must be enrolled in a special education program within ten days after the beginning of the term for which the tuition waiver was initially awarded. If the recipient fails to comply with this requirement, s/he will forfeit the tuition waiver and ISAC will award it to another qualified applicant.

effective

Reg.

Ill.

(Source: Amended at 1998, JUL 6 1998)

Section 2765.40 Institutional Procedures

a) When a recipient graduates, withdraws or otherwise ceases to be enrolled in a Special Education program, the institution shall certify to ISAC the total amount of tuition and fees that have been waived on behalf of the recipient.

b) If a qualified applicant is eligible for both a tuition waiver and grant assistance under the Monetary Award Program (MAP) (23 Ill. Adm. Code 2735), the tuition waiver must be used first.

c) ISAC shall be notified by the institution of a recipient's leave of absence.

effective

Reg.

Ill.

(Source: Amended at 22 JUL 6 1998)

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indicated in the agreement letter issued by JCAR? Yes

- 13) Will these amendments replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

In Section 2733.20, Applicant Eligibility, the language describing the conditions of discharge has been modified to be more consistent with terminology currently in use in the Department of Defense's Certificate of Release or Discharge From Active Duty (Form DD214). The only reason for this clarification, which does not represent a change in policy, is to reflect the federal government's use of the general discharge in addition to the dishonorable discharge. The new terminology makes it more clear that a veteran's service must be characterized as honorable in order for him or her to receive benefits under the IVG program. A "general discharge under honorable conditions" is not the same as an "honorable discharge," and does not entitle the recipient to the same benefits. This clarification makes the eligibility criteria for IVG benefits consistent with the eligibility requirements for federal veterans' educational benefits under the Montgomery G.I. Bill. In subsection (a)(2) of Section 2733.20, language describing the Illinois residency requirements for IVG eligibility has been clarified. No substantive change has been made to these requirements. Similarly, subsection (h) of Section 2733.20 has been added to specify that attendance at a service academy does not constitute active duty and, therefore, does not make an applicant eligible for this grant. And finally, in subsection (g)(1) of Section 2733.30 and again in subsection (d) of Section 2733.40, language has been added to clarify that institutions must report to ISAC any noncredit hours for which benefits are used, so that we may accurately track the use of eligibility units.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road

## ILLINOIS STUDENT ASSISTANCE COMMISSION

## NOTICE OF ADOPTED AMENDMENTS

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The full text of the Adopted Amendments begins on the next page.



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(JUL 01 1998)

Section 2733.20 Applicant Eligibility

a) A qualified applicant shall be any member of the Armed Forces of the United States who has served at least one year of active duty and whose separation has been honorably discharged from such service has been characterized as honorable provided s/he:

- 1) was a:
  - A) resident of Illinois at the time of entering service and after leaving the service returned to Illinois within 6 months; or
  - B) student at an Illinois public university or community college at the time of entering the service; and
- 2) established or plans to establish returned-for-pi-ans--to--return to Illinois residency within 6 months after separation from leaving the Armed Forces, or if married to a person in continued military service:
  - A) applied for this grant within 6 months after and including the date the spouse was stationed within Illinois; or
  - B) established returned-to Illinois residency within 6 months after and including the date that the spouse was separated from such service was characterized as honorable. Upon discharge from the Armed Forces, the veteran shall be subject to verification of continued eligibility for assistance under this Part.
- b) A recipient must reside in Illinois unless the recipient is a member of the Armed Forces at the time of enrollment.
- c) Any member of the Armed Forces of the United States who has served at least one year of active duty and who meets the Illinois residency requirements of this Section (i.e., subsections (a) and (b)), above, is a qualified applicant if his/her separation honorably--discharged from such service was characterized as honorable.
- d) A recipient must maintain an acceptable grade point average as determined by the institution pursuant to a published policy.
- e) An individual is not a qualified applicant if the individual's separation individual-was-discharged from the Armed Forces of the United States was characterized as other under-ess than honorable conditions.
- f) An individual is not a qualified applicant if the individual's active duty with the Armed Forces was for less than one year unless:
  - 1) the veteran's separation veteran-was-honorably-discharged from such service for medical reasons directly connected with such service was characterized as honorable; or
  - 2) the veteran's separation veteran-was-honorably-discharged prior to August 11, 1967 was characterized as honorable; or
  - 3) the veteran's separation veteran-was--honorably--discharged from such service, part of which included deployment to the Persian Gulf during the Persian Gulf War or duty in Somalia during

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TITLE 23: EDUCATION AND CULTURAL RESOURCES  
SUBTITLE A: EDUCATION  
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION  
PART 2733  
ILLINOIS VETERAN GRANT (IVG) PROGRAM

- Section  
2733.10 Summary and Purpose  
2733.20 Applicant Eligibility  
2733.30 Program Procedures  
2733.40 Institutional Procedures

AUTHORITY: Implementing Section 40 and authorized by Section 20(f) of the Higher Education Student Assistance Act (110 ILCS 947/40 and 20(f)).

SOURCE: Emergency rule adopted at 10 Ill. Reg. 14322, effective August 20, 1986 for a maximum of 150 days; emergency expired January 16, 1987; adopted at 11 Ill. Reg. 3207, effective January 29, 1987; amended at 12 Ill. Reg. 11536, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1733 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2733 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989; at 13 Ill. Reg. 17858; amended at 14 Ill. Reg. 10571, effective July 1, 1990; emergency amendments at 15 Ill. Reg. 15613, effective October 11, 1991, for a maximum of 150 days; emergency expired March 9, 1992; emergency amendment at 15 Ill. Reg. 18778, effective January 1, 1992, for a maximum of 150 days; amended at 16 Ill. Reg. 6880, effective April 14, 1992; amended at 17 Ill. Reg. 11261, effective July 1, 1992; amended at 18 Ill. Reg. 10570, effective July 1, 1993; amended at 19 Ill. Reg. 10309, effective July 1, 1994; amended at 20 Ill. Reg. 9200, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11139, effective July 18, 1997; amended at 22 Ill. Reg. 11111, effective JUL 01 1998.

Section 2733.10 Summary and Purpose

- a) As described in this Part, eligible Btgbtbe Illinois Veteran Grant (IVG) IVG recipients are entitled to be exempt from paying tuition and certain fees at public postsecondary institutions--as--described--in this--Part. If appropriated Illinois Student Assistance Commission (ISAC) funds are insufficient to reimburse educational institutions for all eligible recipients, the obligation to pay is transferred to the educational institution.
- b) This Part establishes rules which govern the IVG Illinois--Veteran Grant--(IVG) program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700. 11111 effective (Source: Amended at 22 Ill. Reg. 11111, effective

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military operations to aid that country, was characterized as honorable.

- g) Members of the Reserve Officer Training Corps (ROTC) and a state's National Guard are not eligible for assistance under this Part.

- h) Applicants are not eligible if their only service has been attendance at a service academy.

i) In order to establish eligibility for this grant, an individual shall submit to ISAC an application and documentation of all periods of service to ISAC.

- 1) An applicant should submit a copy of his or her Certificate of Release or Discharge From Active Duty Report-of-Separation (Form DD 214) or Discharge Certificate, which can be obtained from the National Personnel Records Center or the Illinois Department of Veterans' Affairs.

- 2) If the applicant does not have a copy of the DD 214, s/he should submit documentation which provides the following information: date of entry, date of separation, character of service type-of discharge, total active service, home or place of entry into the service, and home or place of separation from the service. Such documentation must have been issued by the United States Department of Defense (DD) or the Veterans' Administration.

- 3) If the applicant is a member of the Armed Forces at the time of application, s/he shall submit a copy of the original and/or current Enlistment Contract (Form DD4/194/3) and a letter from the commanding officer. If the veteran is in an initial enlistment, a copy of the original contract must be provided. If the veteran is on an enlistment extension, a copy of the current contract must be provided with the application as well as copies of all extension contracts. The letter from the commanding officer must indicate that the applicant is a member of the Armed Forces at the time of application, must include the veteran's home of record at the time of original enlistment, and must state the veteran's length of time in service and the expiration date of the current enlistment.

- 4) The definition of "Resident of Illinois" contained in 23 Ill. Adm. Code 2700.20 is applicable to the Illinois Veteran Grant program although residency, for the purposes of this program, can be established in six months. If the applicant's DD 214 does not indicate Illinois residency when entering and/or separating from the Armed Forces, s/he may verify residency by providing one or more of the documents listed below:

- A) Illinois driver's license issued during the relevant six month period;
- B) Illinois high school or college transcripts demonstrating attendance during the relevant six month period;
- C) Utility bills/rent receipts in the applicant's name for the relevant six month period;
- D) Illinois motor vehicle registration issued during the

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relevant six month period;

- E) Residential lease in the applicant's name for the relevant six month period;

- F) Statement of benefits history from the Illinois Department of Public Aid for the relevant six month period;

- G) Statement of benefits from the Illinois Department of Employment Security for the relevant six month period;

- H) State of Illinois identification card issued during the relevant six month period; or

- I) Letter of employment verified by certification in accordance with Illinois law (see 735 ILCS 5/1-109) and printed on company letterhead.

(Source: Amended at 22 Ill. Reg. 11114, effective JUL 01 1998)

## Section 2733.30 Program Procedures

- a) An applicant must apply to ISAC for assistance under this Part. ISAC will issue a Notice of Eligibility to each qualified applicant.

- b) To receive an Illinois Veteran Grant, a qualified applicant must notify the institution of his or her eligibility within three months following the last scheduled day of classes for the term for which a grant is requested.

- c) Benefits are applicable to both undergraduate and graduate enrollment. There are no minimum credit hour enrollment requirements and benefits are applicable for noncredit courses.

- d) Benefits may be used to enroll at Illinois public universities and Illinois public community colleges.

- e) Fees exempted by the IVG:

- 1) The recipient is exempt from paying most fees, including:
  - A) tuition and other instructional fees;
  - B) activity, air flight instructor and athletic fees;
  - C) matriculation, service and other registration-type fees;
  - D) off-campus and other extension course fees;
  - E) application fees;
  - F) graduation and transcript fees;
  - G) proficiency exam, College Level Exam Program (CLEP), placement exam and similar fees; and
  - H) health insurance fees.

- 2) The recipient is responsible for payment of the following fees:
  - A) book rental fees;
  - B) laboratory and supply fees;
  - C) student union fees; and
  - D) fees for the operation, maintenance or rental of any building, facility or equipment.

- f) Recipients attending out-of-district community colleges receive tuition and fee benefits equivalent to those at the in-district rate.

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Recipients shall not be responsible for paying the difference between in-district and out-of-district tuition.

g) Benefits are limited to the equivalent of four academic years of full-time enrollment, which is measured in eligibility units. Recipients may accumulate up to 120 eligibility units.

1) To determine the amount of eligibility a recipient has used, credit hours (and noncredit hours for which benefits are used) will be converted to eligibility units according to the following table:

Number of Hours	Semester Term	Quarter Term
12 or more hours	12 units	8 units
9 - 11.99 hours	9 units	6 units
6 - 8.99 hours	6 units	4 units
3 - 5.99 hours	3 units	2 units
up to 2.99 hours	1 unit	1 unit

- 2) Full program benefits may be extended for one additional term if the recipient has accumulated fewer than 120 eligibility units but does not have enough units remaining for the number of hours in which s/he is enrolled for the term.
- 3) In the event that a recipient withdraws from a course(s) prior to the end of a term, eligibility units will be assessed in proportion with the total dollars that are paid. If the recipient has had any portion of his/her tuition and fees paid, at least one eligibility unit will be charged to the recipient.
- Example: A recipient is enrolled for twelve semester hours at a cost of \$600. The recipient withdraws from enrollment and incurs expenses of \$300 in accordance with the institution's tuition refund policy. The recipient would use six eligibility units and would receive \$300 in benefits.
- 4) The eligibility units used for a noncredit course shall be the same as the number of eligibility units used for a credit course having the same number of faculty contact hours.

(Source: Amended at 22 Ill. Reg. 1111, effective July 1, 1998)

Section 2733.40 Institutional Procedures

- a) If a student is eligible for both an IVG and a Monetary Award Program (MAP) grant MAP, the IVG benefits must be used first. A student cannot decline IVG benefits in favor of using MAP.
- b) A notice of eligibility from ISAC or an Illinois Veteran's Scholarship (IVS) ID card from the Illinois Department of Veterans' Affairs may be used by the institution to establish a qualified applicant's initial

- c) Institutions shall submit a payment request to ISAC. When submitting payment requests, the institution shall certify that the qualified applicant meets the requirements of Section 2733.20, Applicant Eligibility.
- d) Institutions must report the total number of hours for which payment is being requested (including credit and noncredit hours) so that ISAC can accurately track the recipient's use of eligibility units.
- e) The deadlines for submission of complete payment requests shall be September 15 for summer terms; January 15 for first term; and May 25 for second semester/second and third quarter. All claims, including supplemental claims, must be submitted no later than August 1. This will provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield prior to the State's fiscal year lapse period ending on August 31.
- f) The reimbursement to institutions for Illinois Veteran Grants is contingent upon available funding. Should General Assembly appropriations be insufficient to pay all claims, institutions will be reimbursed in accordance with this subsection:
- 1) summer term claims received by the deadline date designated in subsection (e) will be paid, or prorated if funding is insufficient to pay all claims in full;
  - 2) if funds remain after summer term claims are paid, first semester and first quarter claims received by the designated deadline date will be paid, or prorated if funding is insufficient to pay all claims in full;
  - 3) if funds remain after first semester and first quarter claims are paid, then second semester/second and third quarter claims received by the designated deadline date will be paid, or prorated if funds remaining are insufficient to pay all such claims in full;
  - 4) if funds remain after second semester/second and third quarter claims are paid, claims received by ISAC after the designated deadline dates will be paid or prorated; and
  - 5) if funds are still available when the preceding claims have been paid in full, awards for the difference between in-district/state and out-of-district/state tuition will be paid for recipients who do not qualify for chargebacks, or prorated if funds remaining are insufficient to pay all such claims in full.

(Source: Amended at 22 Ill. Reg. 1111, effective July 1, 1998)



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- 1) Heading of the Part: Limitation, Suspension And Termination (L,S&T) Proceedings
- 2) Code Citation: 23 Ill. Adm. Code 2790
- 3) Section Numbers:

2790.10	<u>Adopted Action:</u>
2790.20	Amendment
2790.30	Amendment
2790.40	Amendment
2790.50	Amendment
2790.60	Amendment
2790.130	Amendment
2790.140	Amendment
- 4) Statutory Authority: Implementing and authorized by the Higher Education Student Assistance Act [10 ILCS 947/20(f)] and the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.).
- 5) Effective Date of Rule(s) Amendments: July 1, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: June 8, 1998
- 9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2859

- 10) Has JCAR issued a Statement of Objections to these amendments? No
- 11) Difference(s) between proposed and final version: One minor, technical change was made in response to a suggestion from JCAR staff.
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these amendments replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No
- 15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement state and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and

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terminology throughout our programmatic rules, in order to make them easier for our clients to use. Since this agency is simply making minor technical and grammatical changes, ISAC is adopting no substantive changes to this Part.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
email: rmartine@isc016rl.state.il.us

The full text of the Adopted Amendments begins on the next page.

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## TITLE 23: EDUCATION AND CULTURAL RESOURCES

## SUBTITLE A: EDUCATION

## CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2790

## LIMITATION, SUSPENSION AND TERMINATION (L.S&amp;T) PROCEEDINGS

Section	Summary and Purpose
2790.10	Definitions
2790.20	Informal Compliance Procedures and Pre-Hearing Conferences
2790.30	Emergency Action
2790.40	Suspension Proceedings
2790.50	Limitation or Termination Proceeding
2790.60	Decisions
2790.70	Verification of Mailing and Receipt Dates
2790.80	Limitation
2790.90	Termination
2790.100	Payment Period
2790.110	Reimbursements, Refunds, Offsets and Penalties
2790.120	Reinstatement After Termination
2790.130	Hearings
2790.140	Matrix (Repealed)
APPENDIX A	

**AUTHORITY:** Implementing and authorized by the Higher Education Student Assistance Act [110 ILCS 947] and the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070 et seq.).

**SOURCE:** Adopted at 6 Ill. Reg. 11638, effective September 13, 1982; codified at 7 Ill. Reg. 9926; amended at 9 Ill. Reg. 20836, effective January 1, 1986; amended at 11 Ill. Reg. 3214, effective January 29, 1987; transferred from Chapter IX, 23 Ill. Adm. Code 1790 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2790 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17861; amended at 15 Ill. Reg. 14264, effective September 23, 1991; amended at 16 Ill. Reg. 11269, effective July 1, 1992; amended at 20 Ill. Reg. 9206, effective July 1, 1996; amended at 11 Ill. Reg. 11148, effective July 18, 1997; amended at 22 Ill. Reg. 11123, effective July 1, 1998.

## Section 2790.10 Summary and Purpose

- a) This Part establishes rules for the limitation, suspension or termination of an otherwise eligible institution or applicant participating in any or all of the student assistance programs administered by the Illinois Student Assistance Commission (ISAC). These rules apply to an applicant who and an institution which violates the provisions of the statutes, rules, regulations, special arrangements, agreements or limitations set forth in Lender Agreements

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or Program Participation Agreements and the Higher Education Act of 1965, as amended (20 USCA 1070 et seq.), including but not limited to: the provisions dealing with the Guaranteed Student Loan Programs (20 USCA 1071); Need Analysis (20 USCA 1087kk); General Provisions Relating to Student Assistance Programs (20 USCA 1088); Teacher Scholarships and Fellowships (20 USCA 1111); and the regulations of the U.S. Secretary of Education relating to student assistance programs, under the Higher Education Act of 1965, as amended, including but not limited to: Institutional Eligibility (34 CFR 600); Paul Douglas Teacher Scholarship Program (34 CFR 653); Student Assistance General Provisions (34 CFR 668); Guaranteed Student Loan and PLUS Programs (34 CFR 682); and the State Student Incentive Grant Program (34 CFR 692).

- b) This Part establishes rules which govern the limitation, suspension or termination proceedings. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.
- c) The purpose of this Part is to protect the integrity of the programs and to guard against losses on behalf of the applicant, the lender, the school, ISAC or the Federal Government.
- d) ISAC's failure to invoke the provisions contained in this Part does not, however, automatically imply compliance or lessen an applicant's or an institution's obligation to follow federal or State rules and regulations governing scholarships, grants, and loan programs. Any action taken under this Part will not affect an applicant's or an institution's responsibility to fulfill the requirements of the Higher Education Act, federal regulations or ISAC rules, published policies and procedures applicable to outstanding scholarships, grants and loan programs. Further, any action taken under this Part will not affect an applicant's or an institution's rights, if any, to benefits or payments that are based on prior participation in the programs.
- e) This Part does not apply to:
- 1) a determination that an institution fails to meet the definition of an institution of higher education, a proprietary institution of higher education, a postsecondary vocational institution, as defined in Section 481 of the Higher Education Act of 1965, as amended (20 USCA 1085(c)), or an eligible lender, as defined in Section 435(d) of the Higher Education Act of 1965, as amended (20 USCA 1085(d));
  - 2) a determination of a school's loss of eligibility by the U.S. Secretary of Education due to its default experience (see Section 435(a)(2) of the Higher Education Act of 1965, as amended);
  - 3) any administrative action taken by the U.S. Department of Education (ED) against a lender (34 CFR 682.700 - 682.713), an educational institution (34 CFR 668.81 - 668.98) or an individual (34 CFR 85.300 - 85.420);
  - 4) any administrative action taken by the Illinois Department of Professional Regulation, the Illinois State Board of Education or the Illinois Board of Higher Education terminating, suspending or

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limiting an educational institution's authority to offer educational programs within the State of Illinois; or

5) any administrative action taken by a nationally-recognized accreditation association (see Section 496 of the Higher Education Act of 1965, as amended) terminating, suspending or limiting an educational institution's accreditation status.

In any such case, ISAC shall terminate the participation of the institution by sending notice of such termination, certified mail return receipt requested (see Section 2790.80).

- f) ISAC recognizes ~~ED's~~ the U.S.-Department-of-Education's corresponding federal regulations, namely Limitation, Suspension or Termination of Lender Eligibility Under the Guaranteed Student Loan Program and the PLUS Program (34 CFR 682.700 - 682.713), Fine, Limitation, Suspension and Termination Proceedings as applied to educational institutions (34 CFR 668.81 - 668.98), and Debarment and Suspension proceedings as applied to persons (34 CFR 85.300 - 85.420).

(Source: Amended at 22 Ill. Reg. 11123, effective JUL 01 1989)

## Section 2790.20 Definitions

"Action" - An administrative proceeding conducted under this Part.

"Administrative Error" - Conduct resulting in the loss of a loan guarantee, creating a financial liability, or resulting in a refund due ISAC or ~~ED~~ the U.S.-Department-of-Education, including but not limited to: overbilling interest, failing to cancel loans on a timely basis, failing to make timely refunds, overbilling of interest subsidy and special allowance, due diligence violations in making, disbursing, and servicing loans or conduct resulting in obtaining scholarship and/or grant funds for which the institution or applicant is not entitled.

"Admonishment" - A written reprimand which warns the institution or applicant that a repeat of the same offense will be subject to a penalty of greater severity. Admonishments shall be a matter of public record and may be imposed in lieu of a more severe sanction.

"Funds" - Any money, commitments to provide money, and commitments of insurance or reinsurance provided under any or all programs.

"Hearing Officer" - An impartial person, appointed by the Executive Director of ISAC, or his or her ~~Executive-Director's~~ designee, with no prior involvement with the facts giving rise to the limitation, suspension or termination action, who is ~~either~~:

an attorney who has been admitted to practice law in Illinois for

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at least five years preceding appointment by the Executive Director and possesses those additional qualifications as are necessary to obtain appointment as an arbitrator pursuant to Section 2-1003A of the Mandatory Arbitration System in Illinois [735 ILCS 5/2-1003A]; or

a person who is an arbitrator qualified by the American Arbitration Association; or

any other person who meets the qualifications for the position of Administrative Law Judge for the Federal Government.

"Institution" - For purposes of this Part, any educational or lending institution which participates in any ISAC program(s).

"ISAC Official" - Any official of ISAC to whom the Executive Director has delegated the responsibility of initiating and pursuing an action under this Part.

"Lender" - Defined by Section 435(d) of the Higher Education Act of 1965, as amended (20 USCA 1085(d)).

"Limitation" - The continuation of an applicant's or an institution's eligibility for any or all programs subject to compliance with special conditions or restrictions which have been established by ISAC as necessary for the institutions initial or continued participation in ISAC programs.

"School" - An institution eligible to participate in the programs established by the Higher Education Act of 1965, as amended, including an institution of higher education (as defined in 34 CFR 600.4), a proprietary institution of higher education (as defined in 34 CFR 600.5), and a postsecondary vocational institution (as defined in 34 CFR 600.6).

"Suspension" - The removal of an applicant's or an institution's eligibility for any or all ISAC programs for a specified period of time or until the problem that initiated the limitation, suspension or termination proceeding(s) is resolved.

"Termination" - The unqualified removal of an applicant's or an institution's eligibility for any or all programs for an indefinite period of time, but in no event less than 18 months.

(Source: Amended at 22 Ill. Reg. 11123, effective JUL 01 1989)

Section 2790.30 Informal Compliance Procedures and Pre-Hearing Conferences



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(Source: Amended at 22 Ill. Reg. 11123, effective JUL 01 1998)

Section 2790.40 Emergency Action

- a) If the Executive Director receives a complaint or other information which s/he the Executive Director believes to be reliable, indicating that an applicant or an institution is, or may be, in violation of applicable laws, regulations, special arrangements, agreements, rules or limitations, the Executive Director may call the matter to the attention of the applicant or the institution and may provide a reasonable opportunity to:
  - 1) respond to the complaint or other information;
  - 2) show that the matter has been corrected; or
  - 3) submit an acceptable plan to correct the violation and prevent its recurrence.
- b) The procedures provided in this Part for limitation, suspension, termination or termination need not be delayed during the informal compliance procedure if the Executive Director believes the:
  - 1) delay would have an adverse effect on any or all programs administered by ISAC; or
  - 2) informal compliance procedure will not result in a correction of the alleged violation.
- c) The purpose of a pre-hearing conference is to allow the parties to settle or narrow the dispute.
  - 1) The pre-hearing conference may be convened at the request of ISAC, the affected applicant or institution or the hearing officer.
  - 2) The scope of a pre-hearing conference is to discuss matters relating to the proposed action, including settlement without a hearing, or the narrowing of legal or factual issues to be resolved at the hearing.
  - 3) The pre-hearing conference is not subject to any procedural requirements except as may be mutually agreed upon by ISAC, the applicant and/or the institution.
  - 4) The pre-hearing conference may be held in any manner, including telephone conference call, an informal meeting or written submission of materials from the applicant or the institution to the ISAC official.
  - 5) As a result of the pre-hearing conference, the ISAC official and the applicant or the institution may enter into a prehearing agreement whereby both the ISAC official and the applicant or the institution stipulate in writing, signed by the parties, to certain facts, points of law, regulations, or policies and procedures.
  - 6) The Executive Director and the applicant or the institution may enter into a written consent agreement which fully or partially settles the dispute between the parties. The consent agreement may specify that any pending hearing shall be canceled.
  - 7) A violation of any of the provisions of the consent agreement shall constitute the basis for a termination action against an applicant or an institution.

- a) The Executive Director may take emergency action to withhold funds from an applicant or an institution or its associated students, and to withdraw the authority of an applicant or an institution to participate in ISAC-administered programs if the Executive Director:
  - 1) receives information which he believes to be reliable that an applicant or an institution is in violation of applicable laws, regulations, rules, special arrangements, agreements or limitations which had been previously established;
  - 2) determines that such action is necessary to prevent the likelihood of substantial loss of funds to the State, to ISAC, to ED the U-S-B-Department-Education, to borrowers or to the students associated with the institution; and
  - 3) determines that the likelihood of loss requires immediate action prior to completion of the procedures set forth in this Part for limitation, suspension or termination.
- b) The Executive Director begins an emergency action by notifying the applicant or institution, by certified mail with return receipt requested, of the action and the basis for the action. The effective date of the action is the date on which the notice is received by the applicant or the institution. The notice shall state:
  - 1) the basis of the emergency action;
  - 2) the consequences of the emergency action to the applicant or the institution;
  - 3) that the applicant or the institution may request an opportunity to show cause why the emergency action is unwarranted; and
  - 4) that the failure to request an opportunity to show cause why the emergency action is unwarranted, at least five 5 days after and including the effective date, is a waiver of that right.
- c) An emergency action shall not exceed 30 days unless a limitation, suspension or termination proceeding is begun under this Part before the expiration of that period. In such case, the period may be extended until the completion of that proceeding, including any appeal to the Commission.
- d) An emergency action may be terminated upon the Executive Director's verification that the applicant or the institution has corrected all violations on which the emergency action was based. Verification includes, but is not limited to, submitting documentation showing that the violation(s) has been corrected or submitting an acceptable plan for correcting the violation(s) and preventing a recurrence(s).

(Source: Amended JUL 01 1998, Ill. Reg. 11123, effective 11123)

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## Section 2790.50 Suspension Proceedings

- a) Scope and Consequences: From its effective date, a suspension removes an applicant's or an institution's eligibility for any or all ISAC programs for a period of time not exceeding 60 days unless the:
- 1) applicant or the institution and the Executive Director agree to an extension; or
  - 2) Executive Director begins a limitation or termination proceeding.
- b) Procedures: The Executive Director begins a suspension proceeding by sending a notice to an applicant or an institution by certified mail with return receipt requested. The notice must:
- 1) inform the applicant or the institution of the intent of ISAC to suspend the applicant's or the institution's eligibility, cite the consequences of that action and identify the alleged violations which constitute the basis for the action;
  - 2) specify the proposed effective date of the suspension, which shall be at least 20 days after the date of mailing of notice of intent;
  - 3) inform the applicant or the institution that the suspension will be effective on the date specified in the notice unless the Executive Director receives, at least five 5 days before the proposed effective date, a request for a hearing or written material indicating why the suspension should not take place;
  - 4) invite voluntary efforts to correct the violation(s) which led to the commencement of the action; and
  - 5) inform the applicant or the institution that the failure to request a hearing will be deemed a waiver of that right.
- c) If the applicant or the institution does not request a hearing but submits written material, the Executive Director, after considering that material, notifies the applicant or the institution that the:
- 1) proposed suspension is dismissed; or
  - 2) suspension is effective as of a specified date.
- d) Notice of Suspension will be promptly mailed to the applicant or the institution. The suspension takes effect either upon the date on which the notice is received by the applicant or the institution or the originally proposed effective date stated in the notice of intent, whichever is later.
- e) A suspension shall not exceed 60 days unless a limitation or termination proceeding is begun under this Section before the expiration of that period. In such case, the period may be extended until the completion of that proceeding, including any appeal to the Commission. (See Section 2790.70, Recommended and Final Decisions.)
- f) If the applicant or the institution requests a hearing at least five 5 days before the proposed effective date, the procedures outlined in Section 2790.140, Hearings, shall be followed.

(Source: Amended JUL 01 1998 22 Ill. Reg. 11123, effective

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## Section 2790.60 Limitation or Termination Proceeding

- a) Scope and Consequences: From its effective date, a limitation or termination shall either:
- 1) result in limitations on an applicant's or an institution's eligibility; or
  - 2) end the eligibility of an applicant or an institution for any or all programs administered by ISAC.
- b) Procedures: The Executive Director begins a limitation or termination proceeding, whether or not a suspension proceeding or an emergency action has begun, by sending an applicant or an institution a notice, by certified mail with return receipt requested. This notice must:
- 1) inform the applicant or the institution of the intent of ISAC to limit or terminate the applicant's or the institution's eligibility, cite the consequences of that action and identify the alleged violations which constitute the basis for the action, and in the case of a limitation proceeding, state the limits to be imposed;
  - 2) specify the proposed effective date of the limitation or termination which shall be at least 20 days after the date of mailing of the notice of intent;
  - 3) inform the applicant or institution that the limitation or termination will not be effective on the date specified in the notice if the Executive Director receives, at least five 5 days before the proposed effective date, a request for a hearing or written material indicating why the limitation or termination should not take place;
  - 4) invite voluntary efforts to correct the violation(s) which led to the initiation of the action; and
  - 5) inform the applicant or the institution that the failure to request a hearing will be deemed a waiver of that right.
- c) If the applicant or the institution does not request a hearing but submits written material, the Executive Director, after considering that material, notifies the applicant or the institution that the:
- 1) proposed action is dismissed; or
  - 2) limitations are effective as of a specified date; or
  - 3) termination is effective as of a specified date.
- d) If the applicant or the institution requests a hearing, at least five 5 days before the proposed effective date, the procedures outlined in Section 2790.140, Hearings, shall be followed.
- e) If the applicant or the institution wishes to appeal the decision of the hearing officer, the procedures outlined in Section 2790.70, Recommended and Final Decisions, shall be followed.

(Source: Amended JUL 01 1998 22 Ill. Reg. 11123, effective

## Section 2790.130 Reinstatement After Termination

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- a) An applicant or an institution whose eligibility has been terminated may not file a request for reinstatement until 18 months after the effective date of termination.
- b) After the minimum termination period, the applicant or the institution may request Commission reinstatement of its eligibility. The request must be in writing and must show that the applicant or the institution has corrected the violations on which the termination was based; has paid in full all liabilities, reimbursements and refunds; and meets all qualifications for eligibility.
- c) Within 90 ~~ninety~~ days after receipt of the request for reinstatement, the Commission shall respond to the applicant or the institution by:
- 1) granting its request;
  - 2) denying its request;
  - 3) granting the request subject to other limitations; or
  - 4) conducting a program review to determine that all violations have been corrected, in accordance with Section 2700.60, Audits and Investigations.
- d) If the Commission denies the request or establishes limitations, the applicant or the institution, upon request, will be granted an opportunity to show cause why eligibility should be fully reinstated.
- e) The applicant's or the institution's request for a show cause meeting shall not waive the right to participate in any or all programs administered by the Commission if it complies with such continuing limitations pending the outcome of the meeting.
- f) A school that is also a lender and whose eligibility as a participating school has been terminated, may not be considered for reinstatement as a lender until it is reinstated as an eligible school.
- g) If a request for reinstatement is denied, the applicant or the institution may request reinstatement 18 months after the most recent request, unless the Commission agrees to consider an earlier request.

(Source: Amended at 22 Ill. Reg. 11133, effective JUL 1 1998)

## Section 2790.140 Hearings

- a) If the applicant or the institution requests a hearing at least five 5 days before the proposed effective date of a suspension, limitation or termination, the Executive Director sets the date and place for the hearing. The date will be at least 15 days after the Executive Director receives the request.
- b) A hearing officer appointed by the Executive Director or his or her ~~the Executive Director's~~ designee, conducts the hearing on the record.
- c) The hearing officer shall regulate the course of the proceeding, direct the conduct of the parties during the hearing, provide for the orderly presentation of arguments and evidence, and take all steps

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- necessary to conduct a fair and impartial hearing.
- d) The hearing officer shall take whatever measures are appropriate to expedite the proceeding which may include, but are not limited to:
- 1) scheduling of pre-hearing conferences;
  - 2) restricting the number or length of submissions;
  - 3) accepting stipulations as to facts and legal authorities;
  - 4) setting time limits for hearings and submission of written documents; and
  - 5) declaring any party who fails to comply with a valid order of the hearing officer to be in default, terminating the proceedings and issuing a decision against the non-complying party.
- e) At the hearing, the appointed hearing officer shall consider any written material presented before the hearing, or any material or other evidence presented during the course of the hearing. The hearing shall be conducted in accordance with Article 10 of the Administrative Procedure Act [5 ILCS 100/Art. 10].
- f) The hearing officer shall not have authority to issue subpoenas. If requested by the hearing officer, ISAC, the applicant and/or the institution shall provide persons who have knowledge about the matter under review for oral or written examination.
- g) The ISAC official has the burden of proof by a preponderance of the evidence in any suspension, limitation or termination hearing.
- h) The hearing officer shall only accept only evidence that is relevant to the proceedings and not unduly repetitious.
- i) The hearing officer shall base findings of fact only on evidence considered at the hearing and on matters given judicial notice.
- j) If, after considering the evidence, the appointed hearing officer concludes that a limitation, suspension, ~~limitation~~ termination or penalty is warranted, the hearing officer will issue a decision that may limit, suspend, ~~limit~~ terminate or affect the applicant's or the institution's eligibility in whole or in part.
- k) If a termination proceeding is brought against an applicant or an institution, the appointed hearing officer may, at his or her discretion, issue a decision to impose one or more limitations or penalties on an applicant or an institution rather than terminating its eligibility.
- l) Expedited Hearing: With the approval of the hearing officer and the mutual consent of the parties, any time schedule specified in this Section may be shortened.
- m) The applicant or the institution may be represented by legal counsel at a hearing, but ISAC is under no obligation to provide such counsel.

(Source: Amended JUL 1 1998 at 11133, effective 11133, Reg. 11133)



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- 1) Heading of the Part: Merit Recognition Scholarship (MRS) Program
- 2) Code Citation: 23 Ill. Adm. Code 2761
- 3) Section Numbers: Adopted Action:  
 2761.10 Amendment  
 2761.20 Amendment  
 2761.30 Amendment  
 2761.40 Added
- 4) Statutory Authority: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act (110 ILCS 947/30 and 30(h)).
- 5) Effective Date of Rule(s) Amendments: July 1, 1998
- 6) Does this rulemaking contain an automatic repeal date? No
- 7) Does this rulemaking contain incorporations by reference? No
- 8) Date Filed in Agency's Principal Office: June 8, 1998
- 9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2871
- 10) Has JCAR issued a Statement of Objections to these amendments? No
- 11) Difference(s) between proposed and final version: None
- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes
- 13) Will these amendments replace an emergency rule currently in effect? No
- 14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

Section 2761.20 has been revised in response to a formatting suggestion

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made by JCAR staff. The only substantive change in that Section is the addition of subsection (c), which contains the definition of "seventh semester". The definition was previously included in this Part, but was inadvertently omitted during the major rules re-engineering initiative which took place last year. Section 2761.40, Institutional Procedures, has been added and certain provisions previously contained in Section 2761.30, Program Procedures, have been moved to the new Section so that the format of this Part is consistent with ISAC's other programmatic rules.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
 Compliance Counsel  
 Illinois Student Assistance Commission  
 1755 Lake Cook Road  
 Deerfield, IL 60015  
 (847) 948-8500  
 email: rmartine@isc016r1.state.il.us

The full text of the Adopted Amendments begins on the next page.

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2761  
MERIT RECOGNITION SCHOLARSHIP (MRS) PROGRAM

- Section Summary and Purpose
- 2761.10 Applicant Eligibility
- 2761.20 Program Procedures
- 2761.30 Institutional Procedures
- 2761.40

AUTHORITY: Implementing Section 30 and authorized by Section 30(h) of the Higher Education Student Assistance Act [110 ILCS 947/30 and 30(h)].

SOURCE: Adopted at 9 Ill. Reg. 10277, effective July 5, 1985; amended at 11 Ill. Reg. 20849, effective January 1, 1986; amended at 11 Ill. Reg. 3220, effective January 29, 1987; amended at 11 Ill. Reg. 14127, effective August 10, 1987; amended at 12 Ill. Reg. 11543, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1761 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2761 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17863; amended at 14 Ill. Reg. 10578, effective July 1, 1990; amended at 16 Ill. Reg. 11290, effective July 1, 1992; amended at 17 Ill. Reg. 10579, effective July 1, 1993; amended at 18 Ill. Reg. 10318, effective July 1, 1994; amended at 20 Ill. Reg. 9215, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11166, effective July 18, 1997; amended at 22 Ill. Reg. 11135, effective JUL 1 1998.

Section 2761.10 Summary and Purpose

- a) The Merit Recognition Scholarship (MRS) Program encourages and rewards the distinguished academic achievement of Illinois high school graduates, without regard to financial need. The scholarship is a \$1000 \$1900 award which must be used for enrollment at an approved Illinois postsecondary institution or any service academy.
- b) This Part establishes rules which govern the MRS Merit-Recognition Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. 11135, effective JUL 1 1998)

Section 2761.20 Applicant Eligibility

- a) A qualified applicant shall be:

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- 1) be a student at any approved high school located in Illinois;
  - 2) 80% complete with ~~have~~ completed ~~eighty~~ percent of the high school's program of instruction;
  - 3) ~~have~~ earned ~~a~~ ~~7th~~ semester cumulative high school grade-point average at or above the 95th percentile of his or her high school class after having earned a seventh semester cumulative high school grade point average;
  - 4) be a person of good moral character;
  - 5) be a resident of Illinois;
  - 6) be a United States citizen or permanent resident of the United States; and
  - 7) be enrolled or accepted for enrollment ~~enroll~~, on at least a half-time basis, at an institution of higher learning or service academy as an undergraduate student or cadet.
- b) A qualified applicant shall not have already received a baccalaureate degree.
- c) For the purposes of this Section, seventh semester means the period of instruction when a student has completed 80% of the approved high school's program of instruction. The seventh semester usually will be the student's next to last term.

(Source: Amended at 22 Ill. Reg. 11135, effective JUL 1 1998)

Section 2761.30 Program Procedures

- a) In February of every year, approved high schools in Illinois shall certify to the Illinois Student Assistance Commission (ISAC) the names of students who are qualified applicants.
- 1) The certification of names shall be submitted on forms provided by ISAC. Certifications submitted by approved high schools shall be subject to audit by ISAC.
- 2) ISAC shall then promptly notify those qualified applicants who are reasonably assured of receiving MRS awards Merit-Recognition Scholarships in accordance with annual funding levels recommended in the Governor's Budget.
- b) Qualified applicants shall be sent ~~an~~ a MRS Merit-Recognition Scholarship application which must be completed by the student and the postsecondary institution attended by the applicant. A complete application must be received by ISAC within one year after and including the date of high school graduation but absolutely no later than June 15th of the academic year immediately following graduation from the approved Illinois high school. Should the recipient transfer to a different institution after submission of the application, the enrollment transfer must be reported to ISAC in order to receive scholarship payments.
- c) ISAC shall disburse scholarship funds in two increments based on the terms financed by the scholarship. Scholarship funds may be used to

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finance expenses for a summer term.

- 1) The application form constitutes a request for payment of first term benefits. Institutions shall submit a payment request for payment of subsequent terms.

d2) Funds shall be remitted to institutions on behalf of the recipients. When requesting payment of scholarship funds, the institution shall certify that the recipient is a U.S. citizen or eligible noncitizen, a resident of Illinois, of good moral character, accepted for enrollment on at least a half-time basis, not the recipient of a baccalaureate degree.

3) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status. If the recipient is enrolled, the institution may credit the funds to the recipient's account for expenses due and payable. The balance of the funds shall be released to the recipient.

4) If the recipient has withdrawn from enrollment or drops to less than half-time enrollment prior to receiving funds, the institution shall notify ISAC to prevent payment processing or if funds have been received by the institution, the institution shall return the full amount of the funds to ISAC.

ed) Scholarship funds are applicable to two semesters or three quarter terms and must be used for educational expenses, including, but not limited to, tuition and fees, room and board, books and supplies, required service academy uniforms, and travel and personal expenses related to the recipient's enrollment.

fe) Should the recipient withdraw from enrollment during the first term financed by the scholarship, the recipient shall return to ISAC the full amount of the award.

(Source: Amended at 22 Ill. Reg. 11135, effective JUL 01 1998)

## Section 2761.40 Institutional Procedures

a) The application form constitutes the institution's request for payment of first term benefits. Institutions shall submit a payment request for payment of subsequent terms.

b) When requesting payment of scholarship funds, the institution shall certify that the recipient is: a U.S. citizen or eligible noncitizen; a resident of Illinois; of good moral character; accepted for enrollment on at least a half-time basis; not the recipient of a baccalaureate degree.

c) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status. If the recipient is enrolled, the institution may credit the funds to the recipient's account for expenses due and payable. The balance of the funds shall be released to the recipient.

d) If the recipient has withdrawn from enrollment or drops to less than

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half-time enrollment prior to receiving funds, the institution shall notify ISAC to prevent payment processing or, if funds have been received by the institution, the institution shall return the full amount of the funds to ISAC.

(Source: Added at 22 Ill. Reg. 11135, effective JUL 01 1998)

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grammatical changes throughout this Part, ISAC adopted the following substantive amendments: Subsection (a) of Section 2763.20 and subsection (h) of Section 2763.30 have been revised in response to a formatting suggestion made by JCAR staff. The term "academic year" has been replaced throughout this Part by the term "regular school year" to more accurately reflect that no MTI awards are made for summer terms. Subsection (h)(6) of Section 2763.30 has been added to codify the educational purpose statement contained in the Teaching Agreement/Promissory Note. And finally, "armed services" has been replaced with the more accurate term "armed forces" throughout this Part, in order to make it more consistent with the terminology used throughout ISAC's rules.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
email: rmartinez@isc016rl.state.il.us

The full text of the Adopted Amendments begins on the next page.

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NOTICE OF ADOPTED AMENDMENT(S)

- 1) Heading of the Part: Minority Teachers Of Illinois (MTI) Scholarship Program
- 2) Code Citation: 23 Ill. Adm. Code 2763
- 3) Section Numbers: Adopted Action:  
2763.10 Amendment  
2763.20 Amendment  
2763.30 Amendment  
2763.40 Amendment
- 4) Statutory Authority: Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].

- 5) Effective Date of Rule(s) Amendments: July 1, 1998

- 6) Does this rulemaking contain an automatic repeal date? No

- 7) Does this rulemaking contain incorporations by reference? No

- 8) Date Filed in Agency's Principal Office: June 8, 1998

- 9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2877

- 10) Has JCAR issued a Statement of Objections to these amendments? No

- 11) Difference(s) between proposed and final version: Changes in this rulemaking were merely minor or technical in nature and were made in response to comments from the public or suggestions from JCAR staff.

- 12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

- 13) Will these amendments replace an emergency rule currently in effect? No

- 14) Are there any amendments pending on this Part? No

- 15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and

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## TITLE 23: EDUCATION AND CULTURAL RESOURCES

## SUBTITLE A: EDUCATION

## CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2763

## MINORITY TEACHERS OF ILLINOIS (MTI) SCHOLARSHIP PROGRAM

Section	Summary and Purpose
2763.10	Applicant Eligibility
2763.20	Program Procedures
2763.40	Institutional Procedures

**AUTHORITY:** Implementing Section 50 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/50 and 20(f)].

**SOURCE:** Emergency rules adopted at 15 Ill. Reg. 15621, effective October 11, 1991, for a maximum of 150 days; emergency expired on March 9, 1992; adopted at 16 Ill. Reg. 7048, effective April 21, 1992; emergency amendments adopted at 16 Ill. Reg. 16326, effective September 28, 1992, for a maximum of 150 days; emergency expired on February 25, 1993; emergency amendment at 17 Ill. Reg. 175, effective January 1, 1993, for a maximum of 150 days; emergency expired on May 29, 1993; amended at 17 Ill. Reg. 10585, effective July 1, 1993; amended at 18 Ill. Reg. 10325, effective July 1, 1994; amended at 19 Ill. Reg. 8361, effective July 1, 1995; amended at 20 Ill. Reg. 9221, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11174, effective July 18, 1997; amended at 22 Ill. Reg. 11141, effective JUL 01 1998.

## Section 2763.10 Summary and Purpose

- a) The Minority Teachers of Illinois (MTI) Scholarship Program encourages academically talented minority students to pursue careers as teachers at Illinois preschool, elementary and secondary schools. The program also aims to provide minority children with access to a greater number of positive minority role models.
- b) This Part establishes the rules which govern the MTI Minority-Teachers of-Illinois Scholarship Program. Additional rules and definitions are contained in General Provisions, 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. 11141, effective JUL 01 1998)

## Section 2763.20 Applicant Eligibility

- a) A qualified applicant shall be:
- 1) be a minority student;

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- 2) be a resident of Illinois;
  - 3) be a citizen or permanent resident of the United States;
  - 4) a have-graduated-from high school graduate or have--received a General Educational Development (GED) certificate recipient Certification-(GED);
  - 5) be enrolled or accepted for enrollment on a full-time basis, unless a last semester senior who must enroll only for a minimum of six 6 credit hours;
  - 6) be an undergraduate student at an institution of higher learning at the sophomore level or above;
  - 7) be enrolled or accepted for enrollment in a course of study which, upon completion, qualifies the student to be certified as a preschool, elementary or secondary school teacher by the Illinois State Board of Education;
  - 8) without have-not-received a baccalaureate degree;
  - 9) be maintaining a cumulative grade point average of no less than 2.5 on a 4.0 scale; and
  - 10) be maintaining satisfactory academic progress as determined by the institution.
- b) In any academic year in which the qualified applicant accepts or receives financial assistance through the Paul Douglas Teacher Scholarship Program (23 Ill. Adm. Code 2762), David A. DeBolt Teacher Shortage Scholarship Program (23 Ill. Adm. Code 2764), or the Special Education Teacher Tuition Waiver Program (23 Ill. Adm. Code 2765), the qualified applicant shall not be eligible for scholarship assistance under this Part.

(Source: Amended at 22 Ill. Reg. 11141, effective JUL 01 1998)

## Section 2763.30 Program Procedures

- a) A completed ISAC application for the MTI Minority-Teachers-of-Illinois Scholarship Program must be received in ISAC's Deerfield office on or before the May 1 immediately preceding the regular school academic year for which the scholarship is being requested in order to receive priority consideration for an award.
- 1) Applications are available from qualified institutions of higher learning, State legislative and Congressional offices, and ISAC's Springfield, Deerfield, and Chicago offices.
  - 2) ISAC will mail renewal applications to all qualified students who received MTI Scholarships during the preceding regular school academic year.
  - 3) If the application is incomplete, ISAC will notify the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the application is complete and received at ISAC's Deerfield office.

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- 6) the recipient promises to use the proceeds of the scholarship for educational expenses.
- i) The ten-year time period during which the teaching requirement must be fulfilled may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces armed-services;
  - 2) is enrolled on a full-time basis as a graduate student in a course of study related to the field of teaching at an institution of higher learning;
  - 3) is temporarily totally disabled, for not more than three years, as established by the sworn affidavit of a licensed qualified physician;
  - 4) is actively seeking but unable to find full-time employment as a teacher at a school that satisfies the criteria set forth in subsection (h)(3) of this Section for one continuous a--single period not to exceed two years, and is able to provide evidence of that fact; or
  - 5) is taking pursuing additional courses coursework, on at least a half-time basis, needed to obtain certification as a teacher in Illinois.
- j) If a recipient is required to repay any portion of the scholarship, the repayment period shall be completed within ten years after the scholarship converts to a loan. This ten-year period may be extended if the recipient:
- 1) serves, for not more than three years, as a member of the United States Armed Forces armed-services;
  - 2) is temporarily disabled, for not more than three years, as established by the sworn affidavit of a licensed physician;
  - 3) is seeking and unable to find full-time employment, for one continuous a--single period not to exceed two years, and is able to provide evidence of that fact; or
  - 4) withdraws from a course of study leading to certification as a teacher but is enrolled full-time in another academic discipline.
- k) During the time a recipient qualifies for any of the extensions listed in subsection (j) of this Section, s/he shall not be required to make payments and interest shall not accrue.
- l) A recipient shall enter repayment status on the earliest of the following dates:
- 1) the first day of the first calendar month after the recipient has ceased to pursue a course of study leading to certification as a teacher at the preschool, elementary or secondary level, but not before six months have elapsed after the cessation of full-time enrollment in such a course of study;
  - 2) the date the recipient informs ISAC that s/he does not plan to fulfill the teaching obligation; or
  - 3) the latest date upon which the recipient must have begun teaching in order to complete the teaching obligation within ten years after completing the postsecondary education for which the

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- b) At least 30 percent of the funds appropriated for scholarships awarded under this Section in each fiscal year shall be reserved for male qualified applicants.
- c) Notwithstanding the provisions of subsection (b) of this Section, awards will be made first to renewing applicants.
- d) No recipient may receive more than 8 semesters/12 quarters of scholarship assistance under this program.
- e) Scholarship funds are applicable towards up to two semesters/three quarters of full-time study within a regular school an-academic year.
- f) The total number of scholarships awarded in a given fiscal year is contingent upon available funding. If appropriated funds are insufficient to provide all qualified applicants with a scholarship, available funds shall be allocated in accordance with subsections (b) and (c) of this Section and on the basis of the dates that the completed applications are received in ISAC's Deerfield office.
- g) Qualified applicants may be required to furnish the postsecondary institution at which they are enrolled with a copy of their high school transcripts, any other documentation verifying high school graduation, or a copy of their GED General-Educational-Development certificates.
- h) Prior to receiving scholarship assistance under this Part, the qualified applicant must sign a Teaching Agreement/Promissory Note that is submitted to ISAC. The Teaching Agreement/Promissory Note shall include the following stipulations:
- 1) a-pledge-on-the-part-of the recipient pledges to teach, on a full-time equivalent basis, for one year for each year of scholarship aid received, or for any portion of a year for which aid was received, under this Part;
  - 2) the a--stipulation--that--such teaching requirement will be fulfilled within the ten-year 10-year period following the completion of the undergraduate program for which the recipient received assistance under this Part;
  - 3) the a--stipulation--that--such teaching requirement will be fulfilled at a nonprofit Illinois public, private or parochial preschool, elementary school or secondary school at which no less than 30 percent of the enrolled students are minority students, as certified by the Illinois State Board of Education (ISBE);
  - 4) a-stipulation-that if the teaching requirement is not fulfilled, the scholarship converts to a loan and the recipient must repay the entire amount of the scholarship(s) prorated according to the fraction of the teaching obligation not completed, plus interest at a rate no greater than the highest rate applicable to student loans under FELP the-PRB-program and, if applicable, reasonable collection fees; and
  - 5) a-further--stipulation-that the recipient agrees to provide ISAC with evidence of compliance with program requirements (e.g., responses to annual follow-up questionnaires, etc.) and



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scholarship was awarded.

- m) A recipient shall not be required to repay the amount of the scholarship(s) received if s/he becomes permanently totally disabled as established by the sworn affidavit of a qualified physician (see, e.g., 34 CFR 653.42(k)(1)), or if his or her representative provides ISAC with a death certificate or other evidence that the recipient has died.

(Source: Amended at 22 Ill. Reg. 11141, effective JUL 01 1998)

## Section 2763.40 Institutional Procedures

- a) The institution shall submit eligibility information for qualified applicants in sufficient time for ISAC to make award announcements.
- b) The institution shall submit a certification of eligibility for qualified applicants with its request for payment.
- c) ISAC shall disburse scholarship funds in two or three installments, depending on the number of terms financed by the scholarship, except that multiple disbursements shall not be required in cases where the applicant's eligibility is not determined until the final term of the regular school academic year for which the scholarship is being awarded or when a student is attending only one term and the maximum award does not exceed the student's cost of attendance.
- d) Funds shall be remitted by ISAC to institutions on behalf of the recipient(s).
- e) Upon receipt of scholarship funds, the institution shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit the scholarship funds to the recipient's account for expenses due and payable. The balance of the disbursement shall be released to the recipient.
- f) Upon receipt of the scholarship funds, if the recipient has withdrawn from enrollment for the term(s) for which the award was intended, the institution shall return the total amount of the scholarship to ISAC.
- g) Scholarship Amount
  - 1) MTI scholarships Minority-Teachers-of-Illinois-Scholarships are applicable only toward tuition and fees and room and board charges or commuter allowances, if applicable.
  - 2) The annual scholarship amount shall be computed by the institution and must be the lesser of:
    - A) tuition and fees plus room and board expenses charged by the institution;
    - B) tuition and fees plus the standard commuter allowance for students living off-campus; or
    - C) \$5000 \$57600.
  - 3) The total amount of MTI Minority-Teachers-of-Illinois-Scholarship assistance awarded to a qualified applicant in a given regular school academic year, when added to the other financial aid

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available to the qualified applicant for that year, cannot exceed the cost of attendance.

- 4) A qualified applicant may receive grant assistance under the Monetary Award Program (23 Ill. Adm. Code 2735) only up to the amount by which the qualified applicant's cost of attendance exceeds the amount of the MTI scholarship.

(Source: Amended at 22 Ill. Reg. 11141, effective JUL 01 1998)

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14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

In Section 2735.10, Summary and Purpose, the term "nonprofit" has been deleted, in recognition of the changes made by Public Act 90-122, which permits certain proprietary institutions to participate in the Monetary Award program. In subsection (b) of Section 2735.30, the new program name of "Temporary Assistance for Needy Families" has been substituted for "Aid to Families with Dependent Children," which it has replaced. In subsection (e) of Section 2735.30, references to fall, winter and spring terms have been replaced by more generic descriptions such as first and second semesters and first, second and third quarters. In order to reduce the administrative burden on schools, ISAC is removing the requirement that advance payment requests be made annually, as previously contained in subsection (d) of Section 2735.50. Once an institution has made such a request, it will be deemed to remain in effect until it is withdrawn. Section 2735.60, Contractual Agreement Requirements, has been moved to a new Section in General Provisions, 2700.80, to reflect its broader applicability to other gift assistance programs. And finally, a cross-reference in subsection (b) of Appendix A has been updated to mirror changes made during the major rules re-engineering initiative which took place last year.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
email: rmartinez@isc016rl.state.il.us

The full text of the Adopted Amendments begins on the next page.

ILLINOIS STUDENT ASSISTANCE COMMISSION  
NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part: Monetary Award Program (MAP)

2) Code Citation: 23 Ill. Adm. Code 2735

<u>Section Numbers:</u>	<u>Adopted Action:</u>
2735.10	Amendment
2735.20	Amendment
2735.30	Amendment
2735.40	Amendment
2735.50	Amendment
2735.60	Repealed
2735.App.A	Amendment

4) Statutory Authority: Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/35 and 20(f)].

5) Effective Date of Rule(s) Amendments: July 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: June 8, 1998

9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2885

10) Has JCAR issued a Statement of Objections to these amendments? No

11) Difference(s) between proposed and final version: The amendment that was proposed to subsection (m)(2) of Section 2735.40 (which dealt with payment reconciliation and refunds) has been withdrawn. This amendment would have required the Chief Financial Officer (CFO) of each participating institution to certify that MAP payment reconciliation had been performed and that refunds to ISAC had been made. Although the commenters stated different reasons for their difficulties with the proposed amendment, it was obvious that the financial aid community was not comfortable with this approach. Therefore, in response to public comment, ISAC withdrew the amendment while this agency engages in further study of the issue. ISAC staff will be working with several advisory committees to better define the problem and its causes, and to develop a solution that is more effective than that which was originally proposed.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will these amendments replace an emergency rule currently in effect? No

## ILLINOIS STUDENT ASSISTANCE COMMISSION

## NOTICE OF ADOPTED AMENDMENTS

## TITLE 23: EDUCATION AND CULTURAL RESOURCES

## SUBTITLE A: EDUCATION

## CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2735

## MONETARY AWARD PROGRAM (MAP)

## Section

2735.10 Summary and Purpose

2735.20 Applicant Eligibility

2735.30 Program Procedures

2735.40 Institutional Procedures

2735.50 Advance Payment Option

2735.60 Contractual Agreement Requirements (Repealed)

## APPENDIX A Advance Payment Formula

**AUTHORITY:** Implementing Section 35 and authorized by Section 20(f) of the Higher Education Student Assistance Act [10 ILCS 947/35 and 20(f)].

**SOURCE:** Adopted at 9 Ill. Reg. 20857, effective January 1, 1986; amended at 11 Ill. Reg. 3225, effective January 29, 1987; amended at 11 Ill. Reg. 14134, effective August 10, 1987; amended at 12 Ill. Reg. 11546, effective July 1, 1988; transferred from Chapter IX, 23 Ill. Adm. Code 1735 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2735 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17864; amended at 14 Ill. Reg. 7242, effective May 1, 1990, amended at 16 Ill. Reg. 11296, effective July 1, 1992; emergency amendment at 16 Ill. Reg. 19237, effective November 23, 1992, for a maximum of 150 days; emergency expired on April 22, 1993; emergency amendment at 17 Ill. Reg. 6672, effective April 15, 1993, for a maximum of 150 days; emergency expired on September 18, 1993; amended at 17 Ill. Reg. 10596, effective July 1, 1993; amended at 17 Ill. Reg. 22576, effective January 1, 1994; amended at 19 Ill. Reg. 8369, effective July 1, 1995; amended at 20 Ill. Reg. 9227, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11184, effective July 18, 1997; amended at 22 Ill. Reg. 11140, effective JUL 01 1998.

## Section 2735.10 Summary and Purpose

a) The Monetary Award Program (MAP) provides direct grant assistance to eligible students. MAP grants are apportioned among otherwise eligible applicants on the basis of relative financial resources and available funds. Recipients must enroll at approved ~~nonprofit~~ Illinois institutions in order to use MAP grants.

b) This Part establishes rules which govern the Monetary Award Program. Additional rules and definitions are contained in General Provisions, Part at 23 Ill. Adm. Code 2700.

(Source: Amended at 22 Ill. Reg. 11149, effective

## ILLINOIS STUDENT ASSISTANCE COMMISSION

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## Section 2735.20 Applicant Eligibility

a) A qualified applicant shall be:

- 1) a citizen or eligible noncitizen;
  - 2) a resident of Illinois;
  - 3) maintaining satisfactory academic progress as determined by the institution;
  - 4) enrolled in an eligible degree or certificate program (34 CFR 668.8) on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period; and
  - 5) enrolled at an ISAC-approved institution of higher learning.
- b) A recipient may receive MAP grant payment for less than half-time enrollment provided the recipient was enrolled on at least a half-time basis throughout the institution's tuition refund/withdrawal adjustment period.
- c) MAP grant eligibility is based on the relative financial eligibility at an ISAC-approved institution of higher learning of the applicant's choice, and is reevaluated if the student's choice of institution changes.
- d) Eligibility is restricted to undergraduate students.

1) MAP recipients must not have received a baccalaureate degree,<sup>17</sup> and

2) Graduate students are not eligible for MAP assistance. For purposes of this Part, an institution of higher learning shall classify as a "graduate student" any student who:

- A) is enrolled in an academic program or course above the baccalaureate level which leads to any degree above the baccalaureate level; and
- B) is not eligible to receive federal financial assistance (34 CFR 674.2, 675.2, 676.2) as an undergraduate student; and
- C) has completed the equivalent of at least three years of full-time postsecondary study, either prior to entrance into the academic program or as part of the academic program itself.

(Source: Amended at 22 Ill. Reg. 11149, effective JUL 01 1998)

## Section 2735.30 Program Procedures

a) An application for a MAP grant must be submitted annually. An applicant uses the form which the United States Department of Education (ED) designates as an application form for federal student financial aid. (See Section 483 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070a).)

b) Applicants, spouses and the parents of applicants are required to



## ILLINOIS STUDENT ASSISTANCE COMMISSION

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submit financial information on the application which will be kept confidential, regarding income, asset value and non-taxable income (e.g., Temporary Assistance for Needy Families Aid--to-Families--with Dependent-Children, public aid, veterans' veterans'-benefits or Social Security benefits).

- c) Priority Consideration Dates  
Regular school year applications must be received before June 1 immediately preceding the regular school year for which the application is being made from students who had applied for a MAP grant for the previous regular school year in order to receive priority consideration for a full year award. Regular school year applications must be received before October 1 from students who had applied for a MAP grant the previous regular school year in order to receive priority consideration for a full year award.

- d) Priority Processing Guidelines

1) Students who file applications will be considered for full or partial year MAP awards based on available funds and the following:

- A) Prior to June 1 preceding the regular school year for which assistance is being requested, students who had not applied for a MAP award the previous regular school year and students who did apply for a MAP award the previous regular school year will both be considered for full year awards;
- B) From June 1 until October 1, students who had not applied for MAP awards the previous regular school year will be considered for full year awards; while students who did apply for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only;
- C) On or after October 1, and until the date of final suspension of award announcements for that regular school year, students who had not applied for a MAP award the previous regular school year will be considered for second semester or second and third quarter awards only; while students who did apply for a MAP award the previous regular school year will not be considered for a MAP award at all.
- 2) During the time periods referenced above, awards will be announced concurrently, both to students who had not applied for a MAP award the previous regular school year and to students who did apply for a MAP award during the previous regular school year. Award announcements will be made concurrently through the date of suspension of award announcements.
- 3) If it becomes necessary to suspend the processing of award announcements in order to remain within appropriated funding levels, the suspension will be applied concurrently to students who had not applied for a MAP award for the previous regular school year and to students who did apply for a MAP award the previous regular school year.

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- 4) Corrections to applications received prior to the final suspension of award announcements will be processed and announced up to two months after the final suspension date or until the completion of the processing cycle, whichever comes first.
- e) Students eligible for second semester/second and third quarter winter or-spring-term awards who have missed the June 1 priority date and who are graduating mid-year may request that their second semester/second or third quarter winter--or--spring award be used for first semester/quarter fall-term.
- f) To the extent necessary to administer the program within the limits of the MAP appropriation, the Commission may adjust the priority consideration dates and the priority processing guidelines established by this Section.
- g) When an application is incomplete, a notice will be sent to the applicant. The applicant then has an opportunity to furnish the missing information; however, depending on processing schedules, the applicant may be considered only for subsequent term awards.
- h) Applicants are informed that they are MAP recipients on the basis of application data supplied to ISAC. ISAC will recalculate awards for those applicants whose applications are not in basic agreement with their financial records, after receipt of corrected data. All announced MAP recipients are subject to verification.
- i) The Commission shall annually establish and publicize guidelines for the release of or increase in MAP awards as additional funds become available.
- j) MAP grants are applicable only toward tuition and mandatory fees. MAP grants may not exceed the:
  - 1) maximum award specified at 110 ILCS 947/35(c); or
  - 2) institution's tuition and mandatory fee charges on file with ISAC.
- k) The maximum MAP grant available to a recipient attending a public community college is limited to the in-district tuition and mandatory fees. It is the recipient's responsibility to make arrangements to pay the additional costs incurred as an out-of-district student. The recipient is advised to contact the in-district community college and/or local high school regarding application procedures and deadline dates.
- l) Public community college award recipients shall be eligible for payment up to 19 hours (9.5 hours for half-time).
- m) A recipient may receive the equivalent of 10 semesters/15 quarters of full-time MAP grant payment (see 23 Ill. Adm. Code 2700.40(h)). Eligibility may be extended for one additional term if the recipient has accumulated fewer than 60 eligibility units but does not have enough units remaining for the number of hours that s/he is enrolled in for the term.
- n) Seniors in their last term of enrollment prior to receiving a baccalaureate degree and applicants enrolled in student teaching are classified as full-time students for purposes of MAP grant

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eligibility.

- o) The MAP grant shall not pay for academic programs intended to prepare a student for the General Educational Development (GED) test ~~test~~ or for a high school diploma. (See, e.g., 23 Ill. Adm. Code 215.)
- p) The MAP grant shall not pay for audit courses, credit-by-examination and/or life experience, noncredit non-credit course offerings (except qualifying remedial courses), clock hour programs or correspondence courses. Such course work cannot be used to meet the half-time or full-time requirement. Remedial courses shall be eligible for MAP payment provided the student has been accepted into an eligible degree/certificate program and is taking the remedial courses as part of that program. Payment shall not be made for more than the equivalent of one year of remedial course work (i.e., 30 semester hours or 45 quarter hours). Repeat courses shall be eligible for MAP payment.
- q) If a recipient withdraws from enrollment after the expiration of the tuition refund/withdrawal adjustment period, the recipient shall receive MAP grant payment for costs incurred up to the term award provided the institution's tuition refund policy indicates the recipient has incurred charges in the amount of the claim.
- r) Eligibility units are accumulated by a recipient whenever MAP funds are disbursed on behalf of the recipient. (See 23 Ill. Adm. Code 2700.40(h).)
- s) MAP grant payment is subject to the limits of dollars appropriated to ISAC by the General Assembly.
- t) It is the responsibility of MAP recipients to gain admission to approved Illinois institutions of higher learning. Illinois institutions of higher learning are not obligated to admit MAP Monetary-Award recipients. The institution is obligated to provide MAP Monetary-Award recipients the same facilities and instruction, on the same terms, as are provided to other students.
- u) If a recipient's academic program involves out-of-state and/or foreign study, enrollment must be in accordance with subsection (j) and the following provisions:
  - 1) The recipient must be enrolled at the ISAC-approved institution of higher learning, and the out-of-state/foreign study must be applicable to the student's degree or certificate program at the student's institution of record.
  - 2) The ISAC-approved institution of higher learning must record the course credits on the official academic transcript as institutionally earned credit and not as transfer credit.
  - 3) The recipient must be enrolled full-time.
  - 4) An institution shall not request more than two semesters/three quarters of MAP assistance for any one qualified applicant.

(Source: Amended at 22 Ill. Reg. **11149** effective

**JUL 01 1990**

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## Section 2735.40 Institutional Procedures

- a) MAP recipients must report to the institution all additional gift assistance that applies toward tuition and mandatory fees, such as tuition waivers and scholarships.
- b) If a MAP recipient receives other assistance targeted specifically for tuition and fees, the combined assistance shall not exceed the total tuition and fee expenses incurred.
- c) If an applicant is eligible for assistance under the Illinois National Guard (ING) Grant Program or the Illinois Veteran Grant (IVG) Program (23 Ill. Adm. Code 2730 and 2733), the applicant is not eligible for a full MAP grant because ING NG and IVG must be factored into the financial aid packaging prior to awarding MAP gift assistance. The institution may request payment of a partial MAP grant to finance fee expenses not covered by the above-referenced programs.
- d) If an applicant is eligible to receive tuition or fee benefits through a prepaid or reimbursable tuition plan, or through a payment to the institution of higher learning by the applicant's employer, the institution of higher learning shall request MAP payment in accordance with this subsection:
  - 1) A prepaid tuition plan is any program which exempts a student from tuition charges because of a payment(s) to the institution at a time prior to the student's enrollment. A reimbursable tuition plan is a program which reimburses a student for tuition costs after satisfactory completion of course work.
  - 2) The institution of higher learning shall recalculate the applicant's MAP eligibility by decreasing the applicant's tuition and fee charges by the amount of benefits the applicant is eligible to receive from the sources in subsection (d)(1) of this Section. The institution of higher learning shall report the applicant's reduced grant award on the payment request.
- e) The provisions of this Section shall not apply to benefits derived from the Baccalaureate Savings Act [110 ILCS 920] and 23 Ill. Adm. Code 2771.
- f) Notwithstanding the provisions of other ISAC-administered programs, the total amount of a student's gift assistance may not exceed the cost of attendance used to calculate Title IV aid for that student. Any excess gift assistance is considered an overaward and the institution of higher learning is required to reduce the MAP award and/or other gift assistance to prevent such an overaward.
- g) Institutions of higher learning shall submit payment requests to ISAC. When submitting payment requests, the institution shall certify that the qualified applicant meets the requirements of Section 2735.20, Applicant Eligibility.
- h) For any institution of higher learning which has concurrent registration opportunities, the following policy pertains:
  - 1) The recipient must indicate his/her institution of record on the



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## MAP application.

- 2) The payment of the term award by ISAC will require the institution of record to receive MAP payment on behalf of any other institution(s) and the institution of record shall distribute the appropriate share of the award to the other institution(s). Payment by ISAC will not be made to more than one institution.
- 3) The amount paid cannot exceed the maximum term award for full-time or half-time students at the institution of record, or the tuition and mandatory fee costs at the institution of record if the costs are less than the maximum term award.
- 4) Concurrent registration is limited to ISAC-approved institutions of higher learning.
- 5) The recipient's academic record(s) at the institution of record must document the total number of credit hours for which the student is enrolled.
- i) If an Illinois institution operates an out-of-state center, residents of Illinois enrolled in classes at the out-of-state center may receive MAP benefits in accordance with Section 2735.30(u).
- j) If an announced recipient's credit hour enrollment decreases, the institution shall only request payment up to the amount of actual expenses incurred.
- k) Upon receipt of a payment request from the institution of record, ISAC remits MAP grant funds to the institution of record on behalf of the recipient. The institution of record shall credit these funds to the recipient's account.
- 1) MAP grants are divided into two semester or three quarter regular term payments and are paid directly to the approved institution of record which certifies to ISAC that the applicant is an eligible recipient.
  - 1) ISAC will annually establish priority claim dates for the return of payment request lists and inform schools of the required priority dates.
  - 2) Late payment requests will result in delayed processing of payments. Payment requests are processed in the sequence of receipt by ISAC and as funds are available.
  - 3) Under no circumstances are institutions to submit their payment requests until after the second week of classes for the term for which they are requesting payment.
- m) Institutional Processing of Payments
  - 1) Within 30 days after and including the date of receiving any MAP funds claimed or advanced pursuant to this Section, the institution shall credit the MAP funds against the recipients' tuition and mandatory fee charges for the appropriate term.
  - 2) Institutions are required to reconcile payments received through MAP the-----Monetary-Award-Program. Any payments received by the institution that are determined in the reconciliation to be refunds payable to ISAC are to be processed and returned to ISAC no later than 60 days following the end of the academic term.

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Refunds may be caused by billing errors, retroactive withdrawals and other miscellaneous reasons ~~authorized-by this Part~~. Should the payment arrive after the end of the term, the institution will have 60 days following receipt of payment to complete the reconciliation process and return any refunds due.

- 3) Award payments made in the name of one recipient cannot be applied to another recipient at the same institution. A refund of the payment made must be submitted to ISAC, and a supplemental request for payment must be processed for the proper recipient.
- 4) To provide sufficient time for processing and vouchering through the State Comptroller's Office in Springfield, all payment requests must be received by ISAC no later than August 1 due to the State's fiscal year lapse period ending August 31.
- 5) Payment requests received after August 1 for the prior academic year will be processed as time and available funds permit; however, final action may require institutions to go to the Illinois Court of Claims to obtain payment for approved claims. (See the Court of Claims Act [705 ILCS 505].)
- 6) If the institution does not submit refunds as required by this Section, ISAC will deduct outstanding refunds from subsequent institutional payment requests.

(Source: Amended at 22 Ill. Reg. 11140, effective JUL 01 1998)

## Section 2735.50 Advance Payment Option

- a) ISAC-approved institutions of higher learning may request consideration for the advance payment option. To be eligible, the institution must have received MAP payments for each of the last five academic years, and ISAC must have completed an audit of the institution's performance during that five year period. Institutions with provisional eligibility shall not receive advance payments. (See 23 Ill. Adm. Code 2700.30(1)(6).)
- b) Subject to the availability of funds, payments are advanced on a term-by-term basis. Advance payments are made in an amount not exceed 75 percent of a term's announced recipients, adjusted for attrition as determined by subsection (c)(2). The formula by which ISAC computes an institution's advance payment is illustrated in Appendix A of this Part.
- c) For purposes of computing an institution's advance payment, ISAC uses the lowest retention rate resulting from the following three formulae:
  - 1) Dollar value of the previous fiscal year's claimed awards divided by the dollar value of the previous fiscal year's announced awards;
  - 2) Number of claimed awards for the previous fiscal year divided by the number of awards announced during the previous fiscal year; or



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- 3) Using the formula in subsection (c)(2) above, compute the retention rate for the previous five fiscal years. Add the five retention rates and divide by five to produce the five year average retention rate.
- d) If an institution receives advance payment pursuant to this Section, the Requests for advance payment shall be submitted by June 1 with the annual tuition and fee charges (see 23 Ill. Adm. Code 2700.30(e)). The balance of payment due for the current term will be paid to the institution after ISAC receives a payment request.
- e) If an advance payment received by an institution exceeds the total grant payments for which that institution's students are eligible, the institution shall submit the appropriate refund to ISAC prior to the end of the academic year.

(Source: Amended at 22 Ill. Reg. 11149, effective JUL 01 1999)

## Section 2735.60 Contractual Agreement Requirements (Repealed)

- a) The primary purpose of a MAP approved contractual course of study must be educational and must lead to and be required for a degree or health education certificate in a published course of study offered by an ISAC approved institution.
- b) All contractual agreements between ISAC approved public institutions and non approved institutions must be programs approved by the Illinois Board of Higher Education (IBHE). (See 23 Ill. Adm. Code 1050.) All ISAC approved institutions not governed by the IBHE program review and approval procedures shall submit their contractual agreements to ISAC for approval prior to requesting MAP payment for any contractual course work taken. ISAC shall approve the contractual agreement if the terms are consistent with this Section.
- c) The institution of record must be an ISAC approved institution.
- d) An ISAC approved institution may enter into a contractual agreement with a non approved institution/agency only if the approved ISAC institution does not have specific educational facilities and facilities available within the institution to offer the Illinois Board of Higher Education approved programs.
- e) All ISAC approved institutions are required to submit to ISAC a published curriculum of all courses leading to a certificate or degree in all programs involving contractual agreements between two or more institutions/agencies. Only courses required for these programs that are included in the published curriculum will be eligible for ISAC payment. Furthermore, only those courses approved by the Illinois Community College Board for baccalaureate or vocational programs in the public community colleges will be eligible for ISAC payment at the public community colleges.
- f) The governing boards of all ISAC approved institutions not subject to IBHE contractual guidelines and/or program review and approval

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- procedures should certify to ISAC that the following items are included within the contractual agreement and are the responsibilities of the ISAC approved institution:
- 1) administrative responsibility for the program is with the ISAC approved institution;
- 2) provisions for program supervision including on-site visits by the ISAC approved institution;
- 3) admission policies consistent with the approved institution's policies;
- 4) procedures for the maintenance of records and transcripts by the ISAC approved institution;
- 5) statement on student tuition fees and other charges;
- 6) number of credit hours required and criteria for course completion within the program consistent with the ISAC approved institution's policies and guidelines for all programs;
- 7) student withdrawal policy consistent with ISAC approved institution policy;
- 8) maintenance of liability insurance;
- 9) responsibility for faculty employment and evaluation;
- 10) availability of student auxiliary services;
- 11) consistency with policies, rules and regulations of other State approval agencies;
- 12) establishment and utilization of a representative advisory committee;
- 13) provision for follow-up studies consistent with the ISAC approved institution practices;
- 14) annual program and contract review by the ISAC approved institution; and
- 15) certification that the non approved institution/agency meets statutory requirements and is approved by appropriate State of Illinois agencies and boards.
- g) ISAC requires all ISAC approved institutions to indicate the percentage of their own students who participate in the contract program(s) of study and the percentage of all students enrolled in the non approved institution/agency who will receive tuition assistance through an approved contractual agreement. When either of these percentages exceeds 30%, the contractual agreement will not be approved by ISAC.
- h) All students wishing to enter into programs where contractual courses are taken must be informed by the ISAC approved institution whether these courses are eligible for ISAC payment.
- i) The Consortium Agreement (see 23 Ill. Adm. Code 2700.20) shall be filed with ISAC along with annual tuition and fee charges. (See 23 Ill. Adm. Code 2700.30(e).)

(Source: Repealed at 22 Ill. Reg. 11149, effective JUL 01 1999)

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Heading of the Part: Robert C. Byrd Honors Scholarship Program

Section 2735.APPENDIX A Advance Payment Formula

a) The formula abbreviations are as follows:

- 1) ATA = Announced Term Awards
- 2) ADV = Average Dollar Value of ATA
- 3) CT = Current Term
- 4) DA = Dollars Advanced
- 5) FY = Fiscal Year
- 6) PFY = Previous Fiscal Year
- 7) RR = Retention Rate
- 8) %AD = Percentage Advanced

b) The advanced payment formula established at Section 2735.50(a)(2) may be demonstrated as follows:

$$[(ATA \times RR) \times \%AD] \times ADV = DA$$

c) Sample Award History:

Announced Awards	Awards Claimed	RR
FYA: 6,050	3,063	.51
FYB: 5,271	3,214	.61
FYC: 5,001	2,313	.46
FYD: 3,333	1,619	.49
PFY: 3,468	1,285	.37

Five year average RR: .49

Total Dollars Announced	Total Dollars Claimed	RR
PFY: 1,245,568.00	\$383,647.50	.31

CT ATA: 859

CT ADV: \$403.27

%AD: .75

d) Sample Calculation:

- 1)  $[(859 \times .31) \times .75] \times 403.27 = DA$
- 2)  $(266.29 \times .75) \times 403.27 =$
- 3)  $199.718 \times 403.27 =$
- 4)  $DA = \$80,540.28$

(Source: Amended Jul 01 1998 Ill. Reg. effective

1) Code Citation: 23 Ill. Adm. Code 2755

2) Section Numbers: 2755.30 Amendment  
2755.40 Amendment  
2755.APP.A Amendment

3) Statutory Authority: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

4) Effective Date of Rule(s) Amendments: July 1, 1998

5) Does this rulemaking contain an automatic repeal date? No

6) Does this rulemaking contain incorporations by reference? No

7) Date Filed in Agency's Principal Office: June 8, 1998

8) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2899

9) Has JCAR issued a Statement of Objections to these amendments? No

10) Difference(s) between proposed and final version: Changes in this rulemaking were merely minor or technical in nature and were made in response to suggestions from JCAR staff.

11) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

12) Will these amendments replace an emergency rule currently in effect? No

13) Are there any amendments pending on this Part? No

14) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following

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## substantive amendments:

Subsection (d) of Section 2755.30 has been added to codify a federal requirement. Subsections (e)-(j) of Section 2755.30 have been added and revised to more clearly distinguish between a postponement (a delay of initial enrollment of up to 12 months), a waiver (when part-time enrollment is allowed for up to 12 months, due to unusual circumstances) and an interruption (a temporary disruption of studies once they have already begun, also for up to a period of 12 months). These clarifications also outline the procedures for requesting these exceptions to the enrollment requirements and the parameters within which ISAC may grant the requests. Subsection (c) of Section 2755.40 has been added to demonstrate that outstanding refunds due ISAC will be deducted from subsequent payments to the institution. And finally, subsection (d) of Section 2755.40 has been added to identify the conditions under which an award may be suspended if a recipient temporarily fails to meet the requirements for continuing eligibility.

- 16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
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The full text of the Adopted Amendments begins on the next page.

## ILLINOIS STUDENT ASSISTANCE COMMISSION

## NOTICE OF ADOPTED AMENDMENTS

TITLE 23: EDUCATION AND CULTURAL RESOURCES  
SUBTITLE A: EDUCATION  
CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

## PART 2755

## ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM

Section	Summary and Purpose
2755.10	Applicant Eligibility
2755.20	Program Procedures
2755.30	Institutional Procedures
2755.40	Geographic Districts
APPENDIX A	

AUTHORITY: Implementing Section 65.60 of the Higher Education Student Assistance Act [110 ILCS 947/65.60] and Title IV, Part A, Subpart 6 of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-31 et seq.) and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/20(f)].

SOURCE: Adopted at 19 Ill. Reg. 8386, effective July 1, 1995; amended at 20 Ill. Reg. 9244, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11211, effective JULY 18, 1997; amended at 22 Ill. Reg. 11162 effective JULY 18, 1998.

## Section 2755.30 Program Procedures

- a) A completed application for a Robert C. Byrd Honors Scholarship must be received in ISAC's Deerfield office on or before January 15 preceding the academic year for which the scholarship is being requested.
- b) Applications for the Robert C. Byrd Honors Scholarship are available for distribution to students at approved high schools in Illinois; offices of District and Regional Superintendents of Education of the State of Illinois; offices of ISAC in Springfield, Chicago and Deerfield.
- c) If the student section of the application is incomplete, notification shall be sent to the applicant. The applicant will then have an opportunity to furnish the missing information; however, the application will only be considered for processing as of the date when the student section is complete and received in ISAC's Deerfield office.
- d) Each year new and renewal Byrd applicants are to certify to ISAC that they meet eligibility requirements.
- e) Recipients must be enrolled on a full-time basis unless granted a postponement, waiver or interruption for the first-year-of-study.
- f) A new recipient may postpone his or her initial enrollment for a



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filed by highest scoring qualified applicants on the basis of the following criteria:  
 1) Academic Data. A qualified applicant's score shall be computed as follows:

$$\frac{[(\text{number in class divided by rank}) \times .05] + [(\text{grade point average divided by scale}) \times 100]}{+ (\text{Illinois Standard Test Score} \times 10)} = \text{score}$$

- A) Rank in class, class size and grade point average (GPA) shall be reported as of the end of the third semester prior to graduation from high school or its equivalent. An institution shall use the same class size and GPA scale in reporting all of its applicants.
- B) SAT I or ACT tests, which must be taken during the time frame ~~timeframe(s)~~ identified for State Scholar eligibility (see 23 Ill. Adm. Code 2760.20(b)), shall be converted to the Illinois Standard Test Score as described in 23 Ill. Adm. Code 2760.30(b).
- C) If more than one score is submitted, the highest score is used.
- D) For applicants qualifying by virtue of their GED scores (see Section 2755.20(a)(4) of this Part), class rank shall be set at 5 out of 100 (top 5%) and average GED percentile rank shall be used in lieu of grade point average divided by scale.
- E) For those high schools that do not submit class ranks, the applicant scores shall be computed using number in class and rank as equal to one.
- 2) Geographic District. New Robert C. Byrd Honors Scholarships will be allocated within geographic districts in accordance with Appendix A of this Part. An applicant's county of residence shall be determined by his or her permanent home address.
  - m) Scholarships will be awarded first to renewing applicants.
  - n) Scholarships funds are applicable towards an academic year of study.
  - o) New recipients are selected from each of the 15 geographic districts, and on an at-large basis, in accordance with the number of awards set forth in Appendix A to this Part. The at-large recipients shall be chosen from among the highest scoring non-selected qualified applicants statewide, regardless of their geographic district.
  - p) The total number of scholarships awarded in a given fiscal year is contingent upon available funding (see Section 419D of the Higher Education Act of 1965, as amended (20 U.S.C.A. 1070d-34), Allocation Among States), notwithstanding the number of new scholarships outlined in Appendix A to this Part.
  - q) Recipients will be informed of their selection by the May 1 preceding the academic year for which the scholarship was requested.
  - r) High schools will be notified of the recipients attending their high

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maximum of 12 months.  
 g) After the first year of full-time study, the recipient may request a waiver of the full-time enrollment requirement due to unusual circumstances for a maximum of 12 months.

- 1) The request is to be A-waiver-form-shall-be-completed-by-the recipient--and submitted in writing to ISAC and any with accompanying documents must also be submitted.
- 2) The circumstances under which an exception to the full-time enrollment requirement may be granted include:
  - A) the recipient's employment hours will not permit full-time enrollment additional-course-load;
  - B) the recipient has medical problems that will not permit full-time enrollment attendance, as established by the sworn statement of a licensed physician;
  - C) the recipient is in his/her last semester of school and full-time enrollment additional-course-work-to-complete-the degree is not required to complete the degree; or
  - D) the care of an immediate family member due to illness or incapacitation will not permit full-time enrollment an additional-course-load.
- 3) In order to receive a waiver of the full-time enrollment requirement, the recipient must be enrolled at least half-time.
- h) If the full-time enrollment requirement is waived, the Byrd award is prorated according to the number of hours the recipient is enrolled.
- i) After the first year of study, a recipient may postpone-or interrupt his or her enrollment at an institution for a maximum of 12 continuous months.
  - 1) The request is to be submitted in writing to ISAC and any documentation must also be submitted.
  - 2) The circumstances under which an interruption may be granted include:
    - A) the recipient's participation in a cooperative education or study abroad program;
    - B) the recipient is experiencing financial difficulties that will not permit continuous enrollment;
    - C) the recipient has medical problems that will not permit continuous enrollment; or
    - D) the recipient has family responsibilities that will not permit continuous enrollment.
- j) The scholar is not eligible to receive scholarship funds during the periods of postponement or interruption. The funds that would have been awarded to the scholar during that time period can be awarded to the scholar during a subsequent period of enrollment at an institution as an undergraduate student.
- k) A recipient who is subsequently determined to be ineligible shall repay ISAC the total amount of the funds received for the period during which s/he was ineligible.
- l) ISAC shall select new recipients from among the timely applications

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school by May 1.

- 5) All qualified applicants who are not selected will receive letters notifying them that they have not been chosen as recipients.
- 6) If an individual does not accept the offer of a new scholarship award, the next highest scoring qualified applicant not yet selected from the same geographic district will be chosen to receive a scholarship.
- 7) Each year recipients shall complete an "Eligibility Certification" that includes statements required by ED.
- 8) Scholarship funds shall be sent to the institution on behalf of the recipient(s).

(Source: Amended at 22 Ill. Reg. 11163, effective JUL 01 1993)

## Section 2755.40 Institutional Procedures

- a) An institution shall certify the qualified applicant's eligibility with its request for payment within the time frame specified by ISAC.
- b) Upon receipt of scholarship funds, the institution(s) shall verify the recipient's enrollment status for the term for which the award was intended. If enrolled, the institution may credit scholarship funds to the recipient's account for expenses due and payable. If the recipient withdraws from enrollment prior to completing the academic year of study, the institution shall return the amount of the scholarship to ISAC for the semester(s) or quarter(s) not attended.
- c) Refunds not submitted to ISAC will be deducted from payments for the subsequent academic year.
- d) If a scholar does not meet the requirements for continuing eligibility within an award year, scholarship funds will be suspended until the scholar demonstrates that s/he meets the eligibility requirements. The scholar is not eligible to receive scholarship funds during the period of suspension. If the suspension period exceeds 12 months, the scholar's eligibility will be terminated. If eligibility is reestablished within the 12-month period, scholarship funds will be disbursed only for remaining periods of eligibility. The funds not awarded during a period of suspension cannot be awarded to the scholar during a subsequent period of enrollment at an institution as an undergraduate student.
- e) The total amount of the Byrd Scholarship awarded to a recipient in any given academic year, when added to the other federal or state financial aid available to the recipient for that year, cannot exceed the student's cost of attendance.
- 1) The amount of any federally guaranteed student loans should be decreased prior to reducing the amount of the Byrd Scholarship.
  - 2) A Monetary Award Program (MAP) grant should be decreased prior to reducing the amount of a Byrd Scholarship.

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- 3) The Byrd Scholarship should be decreased prior to reducing the amount of a Federal Pell Grant.
- 4) Except as provided in subsection (e) of this Section, Section 2755.40(c) of this Part, a recipient may receive up to \$1500 for each academic year, up to a maximum of four years of study. Scholarship payment is subject to the limit of available federal funding.
- 5) Out-of-state institutions that are eligible to participate in Title IV federal student financial aid programs need not execute a Program Participation Agreement with ISAC to receive funds on behalf of recipients.

(Source: Amended at 22 Ill. Reg. 11162, effective JUL 01 1993)

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1) Heading of the Part: State Scholar Program

2) Code Citation: 23 Ill. Adm. Code 2760

3) Section Numbers: Adopted Action:  
2760.20 Amendment  
2760.30 Amendment

4) Statutory Authority: Implementing Section 25 and authorized by Section 20 (f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].

5) Effective Date of Rule(s) Amendments: July 1, 1998

6) Does this rulemaking contain an automatic repeal date? No

7) Does this rulemaking contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: June 8, 1998

9) Notice of Proposal Published in Illinois Register: February 6, 1998, 22 Ill. Reg. 2907

10) Has JCAR issued a Statement of Objections to these amendments? No

11) Difference(s) between proposed and final version: An amendment was proposed to subsection (a)(3) of Section 2760.20, which would have made the time period for determining residency less restrictive for the purposes of this program. The commenters stated different reasons for their difficulties with the amendment and none were supportive of the proposed change. Therefore, in response to public comment, ISAC decided to withdraw the amendment and to establish an advisory committee to provide counsel on this issue and the other programs which affect high schools and their students.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will these amendments replace an emergency rule currently in effect? No

14) Are there any amendments pending on this Part? No

15) Summary and Purpose of Rulemaking: ISAC annually reviews its rules in order to respond to market changes and client suggestions, to implement State and federal statutory amendments, to codify improvements due to technological advances, and to clarify issues that have arisen during the previous year. We also are continuing an initiative begun last year to increase the level of standardization in procedures, format and

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Section 2755.APPENDIX A Geographic Districts

District Number	Counties	Number Of New Scholarships
1	Cook	110
2	DuPage	22
3	Lake	11
4	Winnebago, Boone, McHenry	11
5	Mercer, McDonough, Adams, Schuyler, Warren, Fulton, Sangamon, Cass, Menard, Hancock, Mason, Henderson	11
6	DeKalb, Kane, Lee	11
7	Kendall, Will, Grundy	11
8	JO Daviess, Ogle, Carroll, Henry, Bureau, Rock Island, Whiteside, Stephenson	11
9	LaSalle, Putnam, Livingston, Ford, McLean, Kankakee, Iroquois	11
10	Knox, Stark, Marshall, Peoria, Woodford, Tazewell	11
11	Champaign, Edgar, Vermilion, Coles, Clark, Douglas, Cumberland, Jasper, Crawford	11
12	Logan, DeWitt, Piatt, Macon, Christian, Moultrie, Shelby, Montgomery, Clay, Marion, Effingham, Bond, Fayette	11
13	Calhoun, Greene Green, Scott, Brown, Pike, Jersey, Morgan, Madison, Macoupin	11
14	Richland, Wayne, Lawrence, Wabash, Edwards, White, Jefferson, Union, Franklin, Hardin, Hamilton, Saline, Gallatin, Johnson, Pope, Jackson, Massac, Alexander, Pulaski, Williamson	11
15	St. Clair, Perry, Clinton, Monroe, Washington, Randolph	11
-	At-Large	11

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effective

(Source: Amended at 22 Ill. Reg. effective

July 1, 1998)



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terminology throughout our programmatic rules, in order to make them easier for our clients to use. In addition to making minor technical and grammatical changes throughout this Part, ISAC adopted the following substantive amendments:

A student must take at least one of two standardized tests in order to be eligible for consideration as a State Scholar. In subsection (b) of Section 2760.20 and in subsection (f) of Section 2760.30, references to the ACT Assessment Test have been updated to reflect its most current name. Since the transition to a revised computation method adopted last year is complete, outdated and date-specific language contained in subsections (b)(4) and (b)(5) of Section 2760.20 and in subsections (a)(1) and (d)(2) of Section 2760.30 has been deleted. The remaining language accurately reflects the program as administered currently.

16) Information and questions regarding these Adopted Amendments shall be directed to:

Ms. Raquel G. Martinez  
Compliance Counsel  
Illinois Student Assistance Commission  
1755 Lake Cook Road  
Deerfield, IL 60015  
(847) 948-8500  
email: rmartinez@isc016rl.state.il.us

The full text of the Adopted Amendments begins on the next page.

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TITLE 23: EDUCATION AND CULTURAL RESOURCES

SUBTITLE A: EDUCATION

CHAPTER XIX: ILLINOIS STUDENT ASSISTANCE COMMISSION

PART 2760  
STATE SCHOLAR PROGRAM

Section	Summary and Purpose
2760.10	State Scholar Eligibility
2760.20	Program Procedures
2760.30	

AUTHORITY: Implementing Section 25 and authorized by Section 20(f) of the Higher Education Student Assistance Act [110 ILCS 947/25 and 20(f)].

SOURCE: Adopted at 3 Ill. Reg. 4, p. 38, effective January 26, 1979; amended at 4 Ill. Reg. 16, p. 118, effective April 7, 1980; rules repealed, new rules adopted at 5 Ill. Reg. 7251, effective June 26, 1981; amended at 6 Ill. Reg. 8413, effective June 30, 1982; codified at 7 Ill. Reg. 10878; amended at 9 Ill. Reg. 20877, effective January 1, 1986; amended at 11 Ill. Reg. 3242, effective January 29, 1987; amended at 11 Ill. Reg. 14137, effective August 10, 1987; amended at 13 Ill. Reg. 8654, effective July 1, 1989; transferred from Chapter IX, 23 Ill. Adm. Code 1760 (State Scholarship Commission) to Chapter XIX, 23 Ill. Adm. Code 2760 (Illinois Student Assistance Commission) pursuant to P.A. 86-168, effective July 1, 1989, at 13 Ill. Reg. 17868; amended at 14 Ill. Reg. 10589, effective July 1, 1990; amended at 16 Ill. Reg. 11321, effective July 1, 1992; amended at 17 Ill. Reg. 10624, effective July 1, 1993; amended at 18 Ill. Reg. 10346, effective July 1, 1994; amended at 19 Ill. Reg. 8395, effective July 1, 1995; amended at 20 Ill. Reg. 9251, effective July 1, 1996; Old Part repealed and New Part adopted at 21 Ill. Reg. 11222, effective July 18, 1997; amended at 22 Ill. Reg. ~~11170~~, effective ~~July 18, 1997~~ **July 1, 1998**.

### Section 2760.20 State Scholar Eligibility

a) To be considered for the State Scholar Program, a high school student shall:

- 1) demonstrate superior academic potential as measured by test scores and high school records;
- 2) be a United States citizen or eligible noncitizen;
- 3) be a resident of Illinois;
- 4) rank in the upper half of his/her high school class; and
- 5) attend an approved high school.

b) To be considered for the State Scholar Program, a student must take either the ~~American-College-Testing~~ ACT Assessment or the College Board's SAT I: Reasoning Test, during the third or fourth semester prior to graduation from high school (e.g., for a student attending high school for the traditional eight semesters, the exam must be

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taken during the fifth or sixth semester).

1) A student may take either or both examinations during the designated period.

2) All scores from such tests taken during the designated period must be submitted to ISAC.

3) If a student submits scores from multiple any--two examinations taken during the designated period, ISAC will use the highest score, higher-of-the-two-scores.

4) If the student-submits-scores-from-more--than--two--examinations7 taken--during--the--designated--period--ISAC--will--disregard--the lowest-scores--and--use--the--average--of--the--remaining--scores.

5) For-students-entering-the-State-Scholar-competition-for--academic year--1999-2000--and--beyond--ISAC--will--use--the--highest--score--of those-who-submit-scores--from--two--or--more--examinations--taken during-the-designated-period:

46) When a student submits scores to ISAC, the student must report his/her academic level at the time the test was taken.

c) ISAC will accept supplementary score reports of tests taken during the designated period upon the student's authorization to the test service. Such authorization by the student must be received by ISAC before August 1.

d) Students who, for any reason, are unable to take a test on a regular testing date should make special arrangements to be tested in accordance with the procedures of the testing service. Any such special arrangements must take into account the test score submission deadline in subsections (b) and (c) of this Section.

(Source: Amended at 22 Ill. Reg. 11170, effective JUL 01 1998)

Section 2760.30 Program Procedures

a) In order for its students to be considered for the State Scholar Program, a high school must calculate and provide to ISAC class ranks as of the third semester prior to graduation of students who desire to be considered for the Program.

1) Class ranks are to be calculated so that the class rank for the lowest grade point average Grade-Point-Average (GPA) equals the total number of students being ranked.

Example:	Class Rank	GPA
1	1	99.3
2	2	98.9
3	3	98.9
4	4	98.1
5	5	97.9
6	6	97.9

2) The equivalent term rank shall be provided for students planning to graduate in other than the traditional four years (see Section 2760.20(b)).

b) Test scores submitted in accordance with this Part shall be converted to an Illinois Standard Test Score as follows:

1) The ACT Assessment Composite Score shall be the Illinois Standard Test Score.

2) SAT I verbal and math scores shall be added, and then converted to the Illinois Standard Test Score using the table below.

Illinois Standard Test Score Table

Illinois Standard Test Score	SAT I Verbal + Math	ACT Composite
36	1580 to 1600	36
35	1530 to 1570	35
34	1500 to 1520	34
33	1450 to 1490	33
32	1400 to 1440	32
31	1360 to 1390	31
30	1320 to 1350	30
29	1280 to 1310	29
28	1240 to 1270	28
27	1200 to 1230	27
26	1170 to 1190	26
25	1130 to 1160	25
24	1090 to 1120	24
23	1050 to 1080	23
22	1010 to 1040	22
21	970 to 1000	21
20	930 to 960	20
19	890 to 920	19
18	850 to 880	18
17	810 to 840	17
16	760 to 800	16
15	710 to 750	15
14	660 to 700	14
13	620 to 650	13
12	570 to 610	12
11	520 to 560	11
10	470 to 510	10
9	430 to 460	9
8	400 to 420	8

c) High school class ranks submitted in accordance with this Part shall

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be converted to an Illinois Standard Rank Score as follows:

- 1) First, determine the percentile of the class rank for each student in accordance with the following formula:

$$\text{Percentile} = \frac{\text{Size of Class} - \text{Rank in Class}}{\text{Size of Class} - 1} \times 100$$

- 2) Then, use the table below to convert a percentile class rank to the Illinois Standard Rank Score.

Percentile	Illinois Standard Rank Score
99.75 - 99.99	30
99.54 - 99.74	29
99.19 - 99.53	28
98.62 - 99.18	27
97.73 - 98.61	26
96.42 - 97.72	25
94.53 - 96.41	24
91.93 - 94.52	23
88.50 - 91.92	22
84.14 - 88.49	21
78.82 - 84.13	20
72.58 - 78.81	19
65.55 - 72.57	18
57.94 - 65.54	17
50.00 - 57.93	16

- d) ~~Illinois-Weighted-Selection-Score-computation--1)-An-Illinois-Weighted Selection-Score-for-each-student-shall-be-computed-by-multiplying--the Illinois--Standard--Test--Score--by--two--and-adding--that--result--to--the Illinois--Standard-Rank-Score--2)-For--students--entering--the--State Scholar--competition--for--academic--year--1999-2000--and--beyond, An~~ Illinois Weighted Selection Score for each student shall be computed by adding the Illinois Standard Test Score to the Illinois Standard Rank Score.

- e) In any academic year, the number of State Scholars is approximately equal to ten percent of the estimated total number of Illinois high school graduates. ISAC annually establishes a minimum Weighted Selection Score to yield this result.

- f) Notwithstanding the previous provisions in this Section, any student nominated by his or her school shall be designated a State Scholar if that student achieves a score at or above the 95th percentile on the ACT American-College-Testing-(ACT)--standardized-assessment Assessment examination, or the equivalent thereof on a comparable examination, regardless of that student's class rank.

- g) A Certificate of Achievement and congratulatory letter are issued for each State Scholar.

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- h) A listing of State Scholars shall be available upon request to colleges, members of the General Assembly and to the media.

- i) Mailing labels of State Scholars' names shall be available, at cost, to Illinois colleges, universities and associations of Illinois colleges. Payment must be received by ISAC at the time the mailing labels are ordered. Requestors of labels shall provide written assurance to ISAC that the labels will not be resold or released to others in any manner.

- j) High school officials or student candidates shall have a period of 60 days following the announcement of the State Scholars to appeal a student's status. (See: 23 Ill. Adm. Code 2700.70, Appeal Procedures.)

- k) If an appeal concerning an applicant's eligibility is received, ISAC shall request the high school verify the reported data. If the conflict remains, ISAC shall conduct an audit of the high school's records in accordance with 23 Ill. Adm. Code 2700.60.

(Source: Amended at 11170, Ill. Reg. effective JUL 01 1998)

Ill. Chicago



ILLINOIS COMMERCE COMMISSION  
NOTICE OF EMERGENCY RULES

Because of the time constraints necessitated by the legislature's deadline for the adoption of rules, and the efforts of the parties to the proceeding to reach agreement rules, it was not possible to adopt rules through the normal rulemaking process by the statutory deadline.

- 9) A Complete Description of the Subjects and Issues Involved: These rules implement the requirements of Section 16-125 of the Public Utilities Act. They will provide comprehensive information for the Commission to assess and assure reliability, promote customer choice, and respect sound engineering principles. The new customer reliability targets also will assure that jurisdictional entities (traditional public utilities and alternative retail electric suppliers) focus on individual customers as well as the larger transmission and distribution system when planning for reliability improvements.

These rules provide information and opportunity for the Commission to assess and assure reliability. The system-wide indices reported by the jurisdictional entities under the rules are sufficient to identify system-wide trends in reliability.

- 10) Are there any other proposed amendments to this Part pending? No
- 11) Statement of Statewide Policy Objectives: These emergency rules neither create nor expand any State mandate on units of local government, school districts, or community college districts.

- 12) Information and questions regarding these emergency rules shall be directed to:

Conrad S. Rubinkowski  
Office of General Counsel  
Illinois Commerce Commission  
527 East Capitol Avenue  
P.O. Box 19280  
Springfield IL 62794-9280  
217/785-3922  
Fax: 217/524-9280

The full text of the Emergency Rules appears on the next page:

ILLINOIS COMMERCE COMMISSION  
NOTICE OF EMERGENCY RULES

- 1) Heading of the Part: Electric Reliability

- 2) Code Citation: 83 Ill. Adm. Code 411

- 3) Section Numbers: Emergency Action:

- 411.10 New Section  
411.20 New Section  
411.30 New Section  
411.40 New Section  
411.50 New Section  
411.100 New Section  
411.110 New Section  
411.120 New Section  
411.130 New Section  
411.140 New Section  
411.150 New Section  
411.160 New Section  
411.170 New Section  
411.180 New Section  
411.190 New Section  
411.200 New Section  
411.210 New Section  
411.220 New Section  
411.230 New Section  
411.Table A New Section

- 4) Statutory Authority: Implementing Sections 8-401 and 16-125 and authorized by Sections 10-101 and 16-125 of the Public Utilities Act [220 ILCS 5/8-401, 10-101, and 16-125].

- 5) Effective Date of Rules: June 10, 1998

- 6) If these emergency rules are to expire before the end of the 150-day period, please specify the date on which they are to expire: Not applicable

- 7) Date Filed in Agency's Principal Office: June 1, 1998

- 8) Reason for Emergency: On December 16, 1997, as part of Public Act 90-561, the Governor signed into law the Electric Service Customer Choice and Rate Relief Law of 1997, amending the Public Utilities Act (the Act) by adding a new Article XVI. Section 16-125 requires the Commission to:

[Within 180 days of the effective date of this Article, adopt rules and regulations for assessing and assuring the reliability of the transmission and distribution systems and facilities that are under the Commission's jurisdiction.]

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TITLE 83: PUBLIC UTILITIES  
CHAPTER I: ILLINOIS COMMERCE COMMISSION  
SUBCHAPTER c: ELECTRIC UTILITIES

## PART 411

## ELECTRIC RELIABILITY

## SUBPART A: GENERAL

Section  
411.10 Purpose  
EMERGENCY  
411.20 Definitions  
EMERGENCY  
411.30 Applicability of Subpart B  
EMERGENCY  
411.40 Applicability of Subpart C  
EMERGENCY  
411.50 Commission Design of Customer Survey  
EMERGENCY

## SUBPART B: REQUIREMENTS FOR ALL JURISDICTIONAL ENTITIES

Section  
411.100 Reliability Obligations  
EMERGENCY  
411.110 Record-Keeping Requirements  
EMERGENCY  
411.120 Notice and Reporting Requirements  
EMERGENCY  
411.130 Interruption Cause Categories  
EMERGENCY  
411.140 Reliability Review  
EMERGENCY  
411.150 Modification or Exemption  
EMERGENCY  
411.160 Format and Disclosure of Reports  
EMERGENCY  
411.170 Exclusions  
EMERGENCY  
411.180 System Protection  
EMERGENCY  
411.190 Approval of Vegetation Management Programs  
EMERGENCY

## SUBPART C: UTILITIES WITH 1,000,000 OR MORE CUSTOMERS

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## NOTICE OF EMERGENCY RULES

Section  
411.200 Specific Record-Keeping Requirements  
EMERGENCY  
411.210 Specific Notice and Reporting Requirements  
EMERGENCY  
411.220 Proceedings to Determine Responsibility Under 220 ILCS  
EMERGENCY 5/16-125(e) & (f)  
411.230 Proceedings to Determine Damages Under 220 ILCS 5/16-125(e) & (f)  
EMERGENCY

TABLE A Causes of Interruptions  
EMERGENCY

AUTHORITY: Implementing Sections 8-401 and 16-125 and authorized by Sections 10-101 and 16-125 of the Public Utilities Act [220 ILCS 5/8-401, 10-101, and 16-125].

SOURCE: Emergency rules adopted at 22 Ill. Reg. 11177, effective June 10, 1998, for a maximum of 150 days.

## SUBPART A: GENERAL

Section 411.10 Purpose  
EMERGENCY

- a) The Commission's policies for reliability of facilities and service have been developed from the following basic principles incorporated in the Public Utilities Act.
- 1) Reliability encompasses more than statistical data, and the simple absence or occurrence of outages alone may not reflect the true system reliability. The risks of future outages, as indicated by the age, condition, design, and performance of transmission and distribution facilities and by a jurisdictional entity's investment in the maintenance, repair, replacement, and upgrade of its facilities and equipment, are no less important than the past occurrence of outages in assessing system reliability.
  - 2) Potential service reliability improvements should be evaluated considering the costs and benefits of the improvements to the jurisdictional entity and to customers.
  - 3) Reliable electric service is essential to the health, safety and welfare of the citizens of the State of Illinois.
- b) Accordingly, this Part is adopted for the purposes stated herein and they should be interpreted in a manner consistent with the policies stated herein and in a manner that accomplishes the specific objectives set out in this Part. Ends to be served by this Part are listed below.
- 1) To define clearly the Commission's process of assessing electric

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"Distribution circuit" is a circuit owned and/or operated by a jurisdictional entity and designed to operate at a nominal voltage of 15,000 volts or less and to supply one or more distribution transformers.

"Distribution circuit interruption" is an interruption originating at a point that is between the circuit interrupting device at the substation supplying the distribution circuit and the distribution transformer.

"Electric service" means the availability of electric power and energy purchased by the customer at the point of connection between jurisdictional entity equipment and customer equipment, on those terms and conditions provided for in the jurisdictional entity's tariffs, in its terms and conditions of service, or in any contract between a jurisdictional entity and the customer.

"Electric utility" or "Utility" means a public utility, as defined in Section 3-105 and Section 16-102 of the Act, that has a franchise, license, permit or right to furnish or sell electricity to retail customers within a service area.

"Facilities" includes all lines, cables, equipment, plant, computer systems, customer service systems, apparatus, property, and any other items of similar kind that are used to provide or that affects the reliability of transmission, distribution or delivery services.

"Independent system operator" shall have the meanings given in Article XVI of the Act [220 ILCS 5/Art. XVI].

"Interruption" or "Outage" means the failure or operation of a single component, or the simultaneous failure or operation of physically and directly connected components of a jurisdictional entity's transmission or distribution system that results in electric service to one or more of its customers being lost or being provided at less than fifty percent of standard voltage for a period longer than one minute in duration and requiring human intervention by the jurisdictional entity to restore electric service.

Service to a multi-phase point of service is interrupted if service to one or more phases is interrupted.

The Commission does not intend this definition to require a jurisdictional entity to install and operate voltage sensing equipment specifically to identify interruptions involving provision of service at less than fifty percent of standard voltage.

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- 2) To assure the reliable delivery of electricity to all customers service reliability.
- 3) To assure the effective implementation of amendments to the Public Utilities Act relating to the reliable provision of transmission and distribution or delivery services in a competitive environment.
- 4) To adopt, as required by law, rules and regulations for assessing, and for assuring, the reliability of the transmission and distribution systems and facilities that are under the Commission's jurisdiction.
- 5) To establish uniform measurements to assess transmission, distribution and delivery service and to establish reporting requirements that routinely and periodically inform the Commission about the reliability of transmission and distribution systems under its jurisdiction.
- 6) To allow the Commission to monitor more effectively the reliability of the transmission and distribution systems over which power and energy from all electric suppliers will be transported to consumers in the State.
- 7) To provide adequate information for the Commission to monitor aspects of reliability in addition to interruptions.

## Section 411.20 Definitions EMERGENCY

This Section defines terms as they are used in this Part.

"Alternative retail electric supplier" has the same meaning as defined in Section 16-102 of the Public Utilities Act [220 ILCS 5/16-102].

"Controllable interruption" is an interruption caused or exacerbated in scope and duration by the condition of facilities, equipment, or premises owned or operated by a jurisdictional entity, or by the action or inaction of persons under a jurisdictional entity's control and that could have been prevented through the use of generally accepted engineering, construction, or maintenance practices.

"Customer", for the purposes of this Part only, means a retail customer, as that term is defined in Section 16-102 of the Act, or a single entity that is using and has agreed to pay for electric power or energy, or electric transmission or distribution service, from a jurisdictional entity in a wholesale transaction. A single customer can have one or more points of service or meters at a given location. Customer, for the purpose of this Part, shall not include entities that are using electric power or energy unlawfully (e.g., through an illegal tap).



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This definition specifically excludes occurrences of the loss of electric service when automatic switches, automatic line reclosing devices, or other automatic jurisdictional entity devices successfully restore electric service.

The term "interruption" shall not include the interruptions listed below.

Interruptions intentionally initiated by a jurisdictional entity, pursuant to the provisions of an interruptible service tariff or contract and affecting only those customers taking electric service under such tariff or contract.

Interruptions intentionally initiated by a jurisdictional entity for nonpayment of a bill and according to the provisions of Sections 8-201, 8-202, 8-203, 8-204, 8-205 and/or 8-206 of the Act [220 ILCS 5/8-201, 8-202, 8-203, 8-205, and 8-206] and 83 Ill. Adm. Code 280.

Interruptions intentionally initiated by a jurisdictional entity due to tampering with service equipment.

Interruptions intentionally initiated by a jurisdictional entity due to its being denied access to service equipment located on the affected customer's private property.

Interruptions intentionally initiated by a jurisdictional entity due to hazardous conditions located on the affected customer's private property (such as a fire).

Interruptions intentionally initiated by a jurisdictional entity due to a request by the affected customer.

Interruptions intentionally initiated by a jurisdictional entity due to a request by a law enforcement agency, fire department, other governmental agency responsible for public welfare, or any agency or authority responsible for bulk power system security (e.g., North American Electric Reliability Council, a regional reliability council, or an independent system operator).

Interruptions caused by the failure of a customer's equipment; the operation of a customer's equipment in a manner inconsistent with law, an approved tariff, rule, regulation, or an agreement between the customer and the jurisdictional entity; or the failure of a customer to take a required action that would have avoided the interruption,

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such as failing to notify the jurisdictional entity of an increase in load when required to do so by a tariff or contract.

Interruptions caused by the actions or omissions of another jurisdictional entity or other supplier of electricity or electrical services shall not be deemed an "interruption" of the jurisdictional entity providing transmission and distribution services so long as that jurisdictional entity's transmission and distribution facilities serving the customer remained operational.

Scheduled interruptions initiated by a jurisdictional entity for repair, maintenance, or reinforcement shall not be considered an interruption for the purposes of the targets set forth in Section 411.140(b)(4) and calculating reliability indices. For all other purposes under this Part, the term "interruption" shall include scheduled interruptions initiated by a jurisdictional entity for repair, maintenance, or reinforcement. Scheduled interruptions are reportable under Section 411.120(b)(3)(C).

"Interruption duration" means a period of time measured in one-minute increments, which starts when a jurisdictional entity is notified or becomes aware of an interruption and ends when a jurisdictional entity restores electric service.

"Jurisdictional entity" means an electric utility or alternative retail electric supplier owning, controlling, or operating transmission and distribution facilities and equipment subject to the Commission's jurisdiction.

"Operating area" is a geographic area defined by the jurisdictional entity that is a distinct area for administration, operation, or data collection with respect to the facilities serving, or the service provided within, the geographic area.

"Power fluctuation" or "Surge" is a departure of more than one minute in duration in the frequency or voltage of power supplied to the customer's point of service that is caused by the failure or operation of a single component, or simultaneous failure or operation of directly connected components, of a jurisdictional entity's transmission or distribution system, that exceeds the Commission's standards for frequency and voltage (or, where the customer and the jurisdictional entity have agreed on frequency and voltage standards, exceeds the variation allowed thereby), and that causes damage to customer goods. An interruption shall not be deemed a power fluctuation. A power fluctuation or surge shall not include voltage

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and prevented through the use of generally accepted engineering, construction, and maintenance practices. For example, an interruption, a fluctuation, or damage shall be deemed unpreventable where it is:

Caused by a customer's failure to follow good engineering practices with respect to its own equipment; or

When engineering, construction, operations, or maintenance practices or actions have been identified and proposed by the jurisdictional entity to prevent the interruption, fluctuation, or damage, but the jurisdictional entity has not been allowed or permitted by a governmental authority or property owner to implement such practices or actions.

"Worst-performing circuits" are those distribution circuits that, for each reliability index, are among the one percent of all circuits in an operating area (or at least one circuit for each reliability index) with the highest achieved values (lowest performance levels) for the reliability index. For the purpose of identifying worst-performing circuits, only distribution circuit interruptions and customers affected by such interruptions shall be considered in calculating the reliability indices.

Section 411.30 Applicability of Subpart B  
EMERGENCY

The provisions of Subpart B are applicable to all jurisdictional entities subject to this Part.

Section 411.40 Applicability of Subpart C  
EMERGENCY

The provisions of Subpart C are applicable to all electric utilities that have 1,000,000 or more customers.

Section 411.50 Commission Design of Customer Survey  
EMERGENCY

Within six months after the effective date of this Part, the Commission shall initiate a rulemaking to design and approve a single customer survey that is applicable to each jurisdictional entity's compliance with the requirements of this Part. Until the Commission designs and approves a customer survey, each jurisdictional entity, except for jurisdictional entities exempt under Section 411.110(b), shall comply with the requirements of this Part using a customer survey of its own selection or design. At the conclusion of the Commission initiated proceeding, each jurisdictional entity shall replace, for purposes of the annual reliability reports, its customer survey with the customer survey designed and approved by the Commission.

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variations or frequency variations caused by:

Unpreventable damage due to weather events or conditions;

Customer tampering;

Unpreventable damage due to civil or international unrest or animals; and

Damage to a jurisdictional entity's equipment or other actions by a party other than the jurisdictional entity, its employees, agents, or contractors.

"Reliability indices" are as listed below.

"System Average Interruption Frequency Index (SAIFI)" is the average number of interruptions per customer during the year. It is calculated by dividing the total annual number of customer interruptions by the total number of customers served during the year.

$$\text{SAIFI} = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Served}}$$

"Customer Average Interruption Duration Index (CAIDI)" is the average interruption duration for those customers who experience interruptions during the year. It is calculated by dividing the annual sum of all customer interruption durations by the total number of customer interruptions.

$$\text{CAIDI} = \frac{\text{Sum of all Customer Interruption Durations}}{\text{Total Number of Customer Interruptions}}$$

"Customer Average Interruption Frequency Index (CAIFI)" is the average number of interruptions for those customers who experience interruptions during the year. It is calculated by dividing the total annual number of customer interruptions by the total number of customers affected by interruptions. In determining the total number of customers affected, each customer is counted only once regardless of the number of customer interruptions that the customer may have experienced during the year.

$$\text{CAIFI} = \frac{\text{Total Number of Customer Interruptions}}{\text{Total Number of Customers Affected}}$$

"Unpreventable damage, interruptions, or fluctuations" are damage, interruptions, or fluctuations that could not be reasonably foreseen

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## SUBPART B: REQUIREMENTS FOR ALL JURISDICTIONAL ENTITIES

Section 411.100 Reliability Obligations  
EMERGENCY

- a) Each jurisdictional entity shall provide services and facilities that, in accordance with the Act and other applicable laws, provide an adequate, efficient and reasonable level of reliability giving appropriate consideration to the costs and benefits of changing or maintaining the level of reliability.
- b) Each jurisdictional entity shall plan, design, construct, operate and maintain its facilities, including equipment, apparatus, systems, and property, to prevent controllable interruptions of service and to meet the requirements of this Part, consistent with the requirements in subsection (a). If such interruptions occur, the jurisdictional entity shall reestablish service as soon as it can and in a time consistent with general safety and public welfare.
- c) Each jurisdictional entity shall adopt and implement procedures for restoration of transmission and distribution services to customers after an interruption on a non-discriminatory basis without regard to the identity of the provider of power and energy.
- d) Whenever a jurisdictional entity intends to interrupt electric service for the purpose of working on the system, the jurisdictional entity shall make reasonable efforts to notify those customers who may be affected by such interruption in advance of the construction, repair, or maintenance.
- e) Each jurisdictional entity shall design its system according to generally accepted engineering practices, including consideration of normally expected weather, animal activity and other conditions.
- f) Each jurisdictional entity shall adopt and maintain appropriate operating procedures and reliability related administrative procedures.

## Section 411.110 Record-Keeping Requirements

## EMERGENCY

- a) Required records. Except as provided in subsection (b) below, a jurisdictional entity shall maintain, for the most recently preceding five-year period, the records listed below.
  - 1) Records sufficient to determine a history of electric service interruptions experienced by each customer at the customer's current location. The records shall be sufficient to determine the information listed below for each interruption.
    - A) Starting date of the interruption.
    - B) Starting time of the interruption.
    - C) Interruption duration.
    - D) Description of the cause of the interruption.
    - E) Operating areas affected.

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- F) Circuit number(s) of the distribution circuit(s) affected.
- G) Number of customers affected.
- H) Service account number of each customer affected.
- I) Address of each affected customer location.
- J) Name of each affected customer's electric energy supplier, if known.
- 2) Records showing, for each distribution circuit, the total number of customers served by the circuit at the end of each year.
  - b) Periods for which records are not required. A jurisdictional entity need not maintain records reflecting the information identified in subsection (a) for any period prior to calendar year 1994. A jurisdictional entity that, as of January 1, 1994, did not have the technical capability to collect and record some or all of the information identified in subsection (a) need not maintain records reflecting such information for any period prior to January 1, 1999. A jurisdictional entity serving retail customers in Illinois as of December 16, 1997, and that was exempted from the requirements of the Commission's electric service reliability policy (83 Ill. Adm. Code 410, Subpart C) as of that date, need not maintain records reflecting such information for any period prior to January 1, 2002.

## Section 411.120 Notice and Reporting Requirements

## EMERGENCY

- a) Telephone or facsimile notice. A jurisdictional entity must provide notice by telephone or by facsimile transmission to the Consumer Services Division of the Commission when any single event (e.g., storm, tornado, equipment malfunction, etc.) causes interruptions for 10,000 or more of the jurisdictional entity's customers for three hours or more. After such interruptions have continued for three hours, a jurisdictional entity must provide notice within one hour when the notice would be provided during normal business hours, or within the first hour of the next business day. A jurisdictional entity shall provide updates every two hours during the normal business day until service is restored to all customers involved. To the extent that data and information are known, such notice shall include the data and information listed below.
  - 1) An estimate of the number of customers the interruptions affect.
  - 2) Starting date of the interruptions.
  - 3) Starting time of the interruptions.
  - 4) Duration of the interruptions.
  - 5) Locations of the interruptions, described as precisely as possible in generally recognized and geographically oriented terms such as street address, subdivision, or community.
  - 6) Description of the cause of the interruptions.
  - 7) The date and time when the jurisdictional entity expects to restore electric service.
  - 8) The name and telephone number of a jurisdictional entity



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utilities, independent system operators, and alternative retail electric suppliers.

- vii) The plan must consider all interruption causes listed in Section 411.120(b)(3)(D).
- viii) The plan must consider the effects on customers and the cost of reducing the number of interruptions reported as required by Section 411.120(b)(3)(C).

A report of the jurisdictional entity's implementation of its plan filed pursuant to subsection (b)(3)(A) for the previous annual reporting period, including an identification of significant deviations from the first year of the previous plan and the reasons for the deviations.

The number and duration of planned and unplanned interruptions for the annual reporting period and their impacts on customers.

The number and causes of controllable interruptions for the annual reporting period.

Customer service interruptions that were due solely to the actions or inactions of another utility, another jurisdictional entity, independent system operator, or alternative retail electric supplier for the annual reporting period.

A comparison of interruption frequency and duration for customers buying electric energy from the jurisdictional entity versus customers buying electric energy from another utility or alternative retail electric supplier for the annual reporting period. A jurisdictional entity may base this comparison on each customer's supplier as of December 31. A jurisdictional entity need not include this information for customers whose electric energy supplier is not known to the jurisdictional entity.

A report of the age, current condition, reliability and performance of the jurisdictional entity's existing transmission and distribution facilities, shall include, without limitation, the data listed below. In analyzing and reporting the age of the jurisdictional entity's plant and equipment, the jurisdictional entity may utilize book depreciation. Statistical estimation and analysis may be used where actual ages and conditions of facilities are not readily available. The use of such techniques shall be disclosed in the report.

A qualitative characterization of the condition of the jurisdictional entity's system defining the criteria used in making the qualitative assessment, and explaining why they are appropriate.

A summary of the jurisdictional entity's interruptions and voltage variances reportable under this Part, including the reliability indices for the annual

representative the Commission Staff can contact for more information about the interruptions.

Customer call volume to the jurisdictional entity during the interruption as compared to normal call volume and the steps the jurisdictional entity is taking to address call volume.

Annual report. On or before June 1 of each year, each jurisdictional entity, except for jurisdictional entities exempt under Section 411.110(b), shall file with the Chief Clerk of the Commission an annual report for the previous calendar year submitted under oath and verified by an individual responsible for the jurisdictional entity's transmission and distribution reliability.

The data requirements incorporated in the annual report are not meant to replace timely reports on outages when they occur or are remedied as required by other provisions of this Part.

Supporting data used for more than one purpose or calculation need be submitted only once in each annual report, if submitted with clear cross-references. Data should be consistent and differences reconciled to the extent possible.

The annual report shall include the information listed below.

A plan for future investment and, where necessary, reliability improvements for the jurisdictional entity's transmission and distribution facilities that will ensure continued reliable delivery of energy to customers and provide the delivery reliability needed for fair and open competition, along with the estimated cost of implementing the plan and any changes to the plan from the previous annual report.

The plan must cover all operating areas, including a description of the relevant characteristics of each operating area and the age and condition of the jurisdictional entity's equipment and facilities in each operating area.

The plan shall cover a period of no less than three years following the year in which the report was filed.

The plan shall identify all foreseeable reliability challenges and describe specific projects for addressing each.

The plan shall provide a timetable for achievement of the plan's goals.

The plan shall report and address all unresolved reliability complaints about the jurisdictional entity's system received from other utilities, independent system operators, and alternative retail electric suppliers.

The plan shall report the specific actions, if any, the jurisdictional entity is taking to address the concerns raised in such complaints received from other

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reporting period.

- iii) The jurisdictional entity's expenditures for transmission construction and maintenance for the annual reporting period expressed in constant 1998 dollars, the ratio of those expenditures to the jurisdictional entity's transmission investment, and the average remaining depreciation lives of the entity's transmission facilities, expressed as a percentage of total depreciation lives.
- iv) The jurisdictional entity's expenditures for distribution construction and maintenance for the annual reporting period expressed in constant 1998 dollars, the ratio of those expenditures to the jurisdictional entity's distribution investment, and the average remaining depreciation lives of the entity's distribution facilities, expressed as a percentage of total depreciation lives.
- v) The results of a customer satisfaction survey completed during the annual reporting period and covering reliability, customer service, and customer understanding of the jurisdictional entity's services and prices.
- vi) An overview pertaining to the number and substance of customers' reliability complaints for the annual reporting period and their distribution over the jurisdictional entity's operating areas.
- vii) The corresponding information, in the same format, for the previous 3 annual reporting periods, if available.
- H) A table showing the achieved level of each of the three reliability indices of each operating area for the annual reporting period (provided, however, that for any reporting period commencing before April 1, 1998, a jurisdictional entity will not be required to report the CAIFI reliability index).
- I) A list showing the worst-performing circuits for each operating area for the annual reporting period with the understanding that the designation of circuits as "worst-performing circuits" shall not, in and of itself, indicate a violation of this Part.
- J) A statement of the operating and maintenance history of circuits designated as worst-performing circuits; a description of any action taken or planned to improve the performance of any such circuit (which shall include information concerning the cost of such action); and a schedule for completion of any such action. (The jurisdictional entity may decide, based on cost considerations or other factors, that it should take no action to improve the performance of one or more circuits

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designated as worst-performing circuits. If the jurisdictional entity decides to take no action to improve the performance of one or more circuits designated as worst-performing circuits, the jurisdictional entity shall explain its decision in its annual report.)

- K) Commencing three years after the adoption of this Part, tables or graphical representations, covering for the last three years all of the jurisdictional entity's customers, and showing, in ascending order, the total number of customers that experienced a set number of interruptions during the year (i.e., the number of customers, who experienced zero interruptions, the number of customers who experienced one interruption, etc.).
- L) Commencing three years after the adoption of this Part, for those customers who experienced interruptions in excess of the service reliability targets, a list of every customer, identified by a unique number assigned by the jurisdictional entity and not the customer's name or account number, the number of interruptions and interruption duration experienced in each of the three preceding years, and the number of consecutive years in which the customer has experienced interruptions in excess of the service reliability targets.
- M) The name, address and telephone number of a jurisdictional entity representative who can be contacted for additional information regarding the annual report.
- c) Customer report. A jurisdictional entity shall, upon request made by a customer or the Consumer Services Division of the Commission, provide to the customer and/or the Consumer Services Division, within thirty days after the request, a report on all interruptions that the customer making the request, or subject to the Consumer Service Division's request, has experienced at the customer's current service location during the most recently preceding five calendar years. The report shall identify for each interruption the information specified in Section 411.110(a)(1)(A)-(D). Notwithstanding the provisions of this subsection, a jurisdictional entity is not required to report data pursuant to this Section that Section 411.110(b) does not require a jurisdictional entity to maintain, or that the jurisdictional entity was not required to retain at the time of the interruption. This subsection does not alter the provisions of 83 Ill. Adm. Code 200 and 280 that relate to informal and formal complaint procedures.

### Section 411.130 Interruption Cause Categories EMERGENCY

In adhering to the interruption record-keeping and reporting requirements set forth in this Part, each jurisdictional entity shall classify and report on the cause of each interruption using the cause categories and interruption code

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- 2) Criteria for Commission assessment of a jurisdictional entity's annual report.
- A) The report must comply with the requirements of this Part.
  - B) The report must contain a plan, as required by Section 411.120(b)(3)(A).
- 3) When assessing a jurisdictional entity's reliability performance, the Commission shall consider the information listed below.
- A) Controllable interruptions.
  - B) Statistical measures of interruptions.
  - C) The number of interruptions experienced by individual customers.
  - D) The cumulative hours of interruption experienced by individual customers.
  - E) The jurisdictional entity's actions to prevent interruptions.
  - F) The jurisdictional entity's responses to interruptions and to the customers affected by interruptions.
  - G) The extent to which the jurisdictional entity has restored interruptions of service to customers on a non-discriminatory basis without regard to whether a customer has chosen the jurisdictional entity or another provider of electric power and energy.
  - H) The number and substance of informal inquiries, requests for assistance, and complaints directed by customers to the jurisdictional entity and to the Commission.
  - I) The results of customer satisfaction surveys that include customer perceptions of service reliability.
  - J) Generally accepted engineering practices.
  - K) The costs of potential actions.
  - L) The benefits of avoiding the risks of service disruptions.
  - M) The reliability effects of severe weather events and other events and circumstances that may be beyond the jurisdictional entity's control.
  - N) Previous Commission reports and the jurisdictional entity's responses to those reports.
  - O) Information that this Part requires a jurisdictional entity to include in annual reports.
  - P) The relevant characteristics of the area served, including but not limited to system configuration, population density, and geographical constraints.
  - Q) The age and condition of the system's equipment and facilities.
- 4) The jurisdictional entity shall strive to provide electric service to its customers that complies with the targets listed below.
- A) Customers whose immediate primary source of service operates at 69,000 volts or above should not have experienced:
    - i) More than three controllable interruptions in each of

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descriptions given in Table A of this Part.

**Section 411.140 Reliability Review  
EMERGENCY**

- a) Beginning in the year 1999 and at least every three years thereafter, the Commission shall assess the annual report of each jurisdictional entity and evaluate its reliability performance. Within thirty days after receiving the Commission's final report on such assessment, the jurisdictional entity may prepare a response to such report. Both the Commission's final report and the jurisdictional entity's response shall be filed with the Chief Clerk of the Commission.
- 1) Commission recognizes that circumstances and events beyond a jurisdictional entity's control can affect reliability statistics and the interruptions experienced by customers. The Commission shall consider such circumstances and events when evaluating a jurisdictional entity's reliability performance.
- 2) The Commission evaluation shall:
- A) Assess the jurisdictional entity's historical performance relative to established reliability targets.
  - B) Identify trends in the jurisdictional entity's reliability performance.
  - C) Evaluate the jurisdictional entity's plan to maintain or improve reliability.
  - D) Include specific identification, assessment, and recommendations pertaining to any potential reliability problems and risks that the Commission has identified as a result of its evaluation.
  - E) Include a review of the jurisdictional entity's implementation of its plan for the previous reporting period.
- b) Annual report assessment and reliability performance evaluation criteria.
- 1) When assessing a jurisdictional entity's annual report, the Commission shall consider the information listed below.
- A) Information that this Part requires a jurisdictional entity to include in annual reports.
  - B) The relevant characteristics of the area served, including but not limited to system configuration, population density, and geographical constraints.
  - C) The age and condition of the system's equipment and facilities.
  - D) Generally accepted engineering practices.
  - E) The costs of potential actions.
  - F) The benefits of avoiding the risks of service disruptions.
  - G) The reliability effects of severe weather events and other events and circumstances that may be beyond the jurisdictional entity's control.



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- the last three consecutive years.
- i) More than nine hours of total interruption duration due to controllable interruptions in each of the last three consecutive years.
  - B) Customers whose immediate primary source of service operates at more than 15,000 volts, but less than 69,000 volts, should not have experienced:
    - i) More than four controllable interruptions in each of the last three consecutive years.
    - ii) More than twelve hours of total interruption duration due to controllable interruptions in each of the last three consecutive years.
  - C) Customers whose immediate primary source of service operates at 15,000 volts or below should not have experienced:
    - i) More than six controllable interruptions in each of the last three consecutive years.
    - ii) More than eighteen hours of total interruption duration due to controllable interruptions in each of the last three consecutive years.
  - D) Exceeding the service reliability targets is not, in and of itself, an indication of unreliable service, nor does it constitute a violation of the Act or any Commission order, rule, direction, or requirement. The Commission's assessment shall determine if the jurisdictional entity has a process in place to identify, analyze, and correct service reliability for customers who experience a number or duration of interruptions that exceeds the targets.

#### Section 411.150 Modification or Exemption EMERGENCY

- a) Any jurisdictional entity may file an application requesting modification of or exemption from any Section of this Part as such Section applies to the jurisdictional entity filing the application. For good cause shown and upon a showing that such a waiver will not compromise the reliability obligations of the jurisdictional entity, the Commission may grant such a request for modification or exemption, except that the Commission may not grant any modification or exemption of specific requirements stated in Section 16-125 of the Act [220 ILCS 5/16-125]. A petition for exemption or modification shall be filed pursuant to 83 Ill. Adm. Code 200 and shall set forth specific reasons and facts in support of the requested exemption or modification.
- b) In determining whether good cause has been shown, the Commission shall consider, among other things, the information listed below.
  - 1) The extent to which circumstances beyond the control of the jurisdictional entity have made compliance with the applicable Section extremely difficult.
  - 2) Whether the jurisdictional entity has made a good faith effort to

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- comply with the applicable Section in a timely fashion.
- 3) Whether other information, which the jurisdictional entity would provide if the waiver is granted, permits the Commission Staff to review the subject filing in a complete, timely and meaningful manner.

#### Section 411.160 Format and Disclosure of Reports EMERGENCY

The reports required to be filed by this Part shall be submitted to the Commission and available to the public in both printed and electronic form. The printed version shall be the official version filed with the Commission's Chief Clerk. Computerized data and information filed as part of a report that is stored by a jurisdictional entity on a personal computer shall be provided in Microsoft Office or Corel Office, IBM personal computer compatible file formats and delivered to the Commission's offices via Internet electronic mail or on floppy disks or other portable storage media as agreed to by the Commission Staff. Underlying data provided to the Commission shall be available to the public to the extent that it is not proprietary information. A jurisdictional entity shall report the required information on both a system-wide and operating areas basis. A jurisdictional entity shall submit the required information in a consistent format each year that facilitates comparisons across time periods and that uses non-technical language. A jurisdictional entity's reports shall be available to the public from the jurisdictional entity and from the Commission. A jurisdictional entity shall keep copies of its reports at its public offices.

#### Section 411.170 Exclusions EMERGENCY

The service reliability targets in this Part shall not apply to customers served under a Commission approved tariff or contract, or contract for competitive services as defined in Section 16-102 of the Act [220 ILCS 5/16-102] that specifies levels of service reliability different from the service reliability targets in this Part.

#### Section 411.180 System Protection EMERGENCY

- a) In the event that the equipment or facilities of a customer or other entity are being operated in a manner that is inconsistent with the jurisdictional entity's tariffs, terms and conditions of service, or any contract between the jurisdictional entity and the customer or other entity, and such operation poses, in the reasonable judgment of the jurisdictional entity, an imminent threat to the reliability of service to customers or to person or property, the jurisdictional entity shall have the right, but not the obligation, to immediately discontinue service to those points of service that supply power or

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- 8) Description of measures taken to restore service or eliminate power fluctuation.
  - 9) Description of measures taken to remedy the cause of the interruption or power fluctuation.
  - 10) Description of measures taken to prevent a future interruption or power fluctuation.
  - 11) Amount of remuneration, if any, paid to affected customers.
  - 12) Statement of whether the fixed charge was waived for affected customers.
- b) An electric utility with 1,000,000 or more customers shall not modify its data collection or record-keeping procedures so as to collect or record less information about the reliability of its transmission and distribution facilities under the jurisdiction of the Commission or to collect information for fewer discrete areas than the utility collected in calendar year 1997 without first seeking the comments of the Commission Staff. Any changes in data collection and record-keeping procedures made without agreement of the Staff shall not excuse a later failure to provide information required or requested under the Act or this Part.

#### Section 411.210 Specific Notice and Reporting Requirements EMERGENCY

Each electric utility having 1,000,000 or more customers shall provide notice and reports as listed below.

- a) Make the information, which the utility must maintain in accordance with Section 411.200, available for public inspection at the utility's offices and provide copies of the information to the public upon payment of a fee not exceeding the reasonable cost of reproduction.
- b) File, with the Commission's Chief Clerk, an annual report on or before June 1 of each year that includes the information listed below.
  - 1) Each record that Section 411.200 requires the utility to maintain.
  - 2) The projected load and peak demand for each of the utility's operating areas for the following three years.
  - 3) The peak loading (as a percentage of rated normal and emergency capacity) on each transmission and distribution substation transformer operating during its peak loading period at or above 90 percent of normal rated capacity, except where such data would reveal information about loads of specific customers.
- c) File, with the Commission's Chief Clerk, a report on or before June 1, 1999 that lists the discrete areas for which it collected reliability data and kept reliability records and that explains its reliability data collection and record-keeping procedures for calendar year 1997.

Section 411.220 Proceedings to Determine Responsibility Under 220 ILCS 5/16-125(e) & (f)  
EMERGENCY

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energy to such equipment or facilities until such time as the threat can be eliminated and service restored. The jurisdictional entity shall give as much notice of such discontinuance of service as is reasonably possible to the affected customer. Temporary discontinuance of service pursuant to this Section shall be deemed to be in compliance with 83 Ill. Adm. Code 280.130(k).

b) Notwithstanding anything in the rules of the Commission to the contrary, a jurisdictional entity may lawfully take such actions as are required by federal law or standards adopted under federal law, or by an organization authorized by federal authority, to protect the security of the bulk power system and/or to provide for the continuous supply of power to facilities regulated under federal law.

#### Section 411.190 Approval of Vegetation Management Programs EMERGENCY

A jurisdictional entity may file with the Commission tariffs describing programs and practices for the control of vegetation designed to maintain or enhance service reliability. Such tariffs, if passed to file or accepted after hearing, shall be deemed standards of the Commission with respect to vegetation management by such jurisdictional entity and shall pre-empt contrary ordinances, rules, and actions of units of local government. A jurisdictional entity will provide notice to municipalities and counties directly affected thereby of the filing, under this Section, of a proposed tariff or supporting materials relating to the need for such a tariff.

## SUBPART C: UTILITIES WITH 1,000,000 OR MORE CUSTOMERS

#### Section 411.200 Specific Record-Keeping Requirements EMERGENCY

- a) Electric utilities with 1,000,000 or more customers must maintain service records detailing information on each interruption that affects 10 or more customers or power fluctuations that affect 30,000 or more customers. The service record for each interruption shall be maintained for at least five years and shall include the information listed below.
  - 1) Starting date of the interruption or power fluctuation.
  - 2) Starting time of the interruption or power fluctuation.
  - 3) Interruption or power fluctuation duration.
  - 4) Number of customers affected by the interruption or power fluctuation.
  - 5) Description of the cause of the interruption or power fluctuation.
  - 6) Geographic area affected by the interruption or power fluctuation.
  - 7) Specific equipment involved in the interruption or power fluctuation.

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- a) In the event that more than 30,000 customers of a utility are subjected to a power interruption that meets the conditions set forth in Section 16-125(e) of the Act and the utility or the Commission believes that such interruption is due to one or more of the causes set forth in Section 16-125(e)(1)-(4) of the Act, then the utility may commence a proceeding before the Commission, or the Commission may commence on its own motion a proceeding, seeking a declaration that the subject interruption was due to one or more of such causes and that liability under Section 16-125(e) of the Act should be waived by the Commission. The Commission's decision in such proceeding shall be appealable by any party thereto, and except as reversed or modified on appeal, the determination of the cause of the interruption in this proceeding and the Commission's decision to grant or deny a waiver of liability in connection therewith shall be final and shall be binding on both the utility and claimants in actions before the Commission to recover damages under Section 16-125(e) of the Act. This proceeding shall determine only the liability of the utility under Section 16-125(e) of the Act and shall not constitute a finding or determination, for the purpose of this or any other proceeding, that the utility was or was not negligent, did or did not breach a contract, or violated or did not violate any other legal duty or obligation.

- b) In the event that more than 30,000 customers of a utility are subjected to a power surge or other fluctuation that meets the conditions set forth in Section 16-125(f) of the Act, and the utility or the Commission believes that such power surge or other fluctuation is due to one or more of the causes set forth in Section 16-125(f)(1)-(4) of the Act, then the utility may commence a proceeding before the Commission, or the Commission may commence on its own motion a proceeding, seeking a determination from the Commission that the subject power surge or other fluctuation was due to one or more of such causes and that, therefore, no liability attaches under Section 16-125(f) of the Act. The Commission's decision in such proceeding shall be appealable by any party thereto, and except as reversed or modified on appeal, the determination of the cause of the power surge or other fluctuation in this proceeding shall be final and binding on both the utility and claimants in actions before the Commission to recover damages under Section 16-125(f) of the Act. This proceeding shall determine only the liability of the utility under Section 16-125(f) of the Act and shall not constitute a finding or determination, for the purpose of this or any other proceeding, that the utility was or was not negligent, did or did not breach a contract, or violated or did not violate any other legal duty or obligation.

- c) Any customer affected by the subject interruption, power surge or other fluctuation, or a unit of local government in which such interruption, power surge or other fluctuation occurred, shall be entitled to intervene in a proceeding brought pursuant to this

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Section. Informal and formal complaints pursuant to the Commission's Rules of Practice (83 Ill. Adm. Code 200) brought by affected customers and units of local government shall be stayed pending disposition of this proceeding and appeals thereof, or consolidated with this proceeding for the purposes of liability.

### Section 411.230 Proceedings to Determine Damages Under 220 ILCS 5/16-125(e) & (f)

#### EMERGENCY

- a) Utilities shall design and implement an administrative procedure for resolving and paying claims for actual damages and replacement value under Section 16-125(e) and (f) of the Act that will minimize the need for formal complaint proceedings before the Commission. Utilities shall submit a description of this administrative procedure to the Commission's Staff. The process shall:

- 1) Preserve, at the option of an affected customer, the availability of the Commission's informal and formal complaint procedures in the event that the customer chooses not to accept the administrative resolution;
  - 2) Define clearly and in plain language reasonable standards for verification of damages and the procedures that will be followed by the utility and shall notify the claimant of the right to seek a determination by the Commission of actual damages or replacement value payable by the jurisdictional entity in the event that the claimant chooses not to accept the administrative resolution offered by the utility;
  - 3) Be designed to resolve claims that are not stayed pursuant to Section 411.220 of this Part within ninety days after the claimant making a written claim and providing the required proof of damage in accordance with the administrative procedure developed pursuant to this Section, and the utility shall devote sufficient resources to the claims process such that a typical claim is resolved within that period. In the event that a claimant furnishes insufficient information to make a determination, the utility shall promptly notify the claimant of that fact; and
  - 4) Provide that, if the Commission finds that a utility is obligated to make payments to customers under Section 16-125(e) or (f) of the Act and this finding is not appealed or is upheld on appeal, then the utility will notify (at their last known address) customers whose administrative claims were previously denied by the utility on the grounds that the utility was not liable of the Commission's action and of their rights to file a new claim.
- b) The determination of the utility's administrative complaint resolution process shall not constitute evidence in the Commission or any court of the liability or absence of liability of the utility, or of the amount of damage, if any, suffered by the customer.



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Section 411. TABLE A Causes of Interruptions  
EMERGENCY

<u>Interruption Cause Categories</u>	<u>Interruption Code Description</u>
Other Alternative Retail Electric Supplier or Other Utility	Loss of Supply Operating Event
Jurisdictional Entity/Contractor Personnel-Errors	Unclassified Error Switching Error Accident by Jurisdictional Entity Testing Error Dig-In by Jurisdictional Entity Accident by Jurisdictional Entity Contractor Dig-In by Jurisdictional Entity Contractor
Customer	Overload Customer Request Customer Equipment Non-payment of Bill Tampering with Service Access to Equipment Denied Interruptible Service Tariff or Contract
Public	Foreign Object Fire Vandalism Accident by Others Dig-In by Others Vehicles
Weather Related	Lightning Wind Ice Extreme Cold Extreme Heat Flooding
Animal Related	Wildlife Birds Snakes Squirrels Other
Tree Related	Tree Contact

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- c) In no event do actual damages or replacement value recoverable under Section 16-125(e) or (f) of the Act include consequential damages.
- d) A customer or a unit of local government whose claim for relief under Section 16-125(e) or (f) of the Act is not resolved through the administrative procedures described in this Section may then seek relief from the jurisdictional entity pursuant to the Commission's established complaint procedures (83 Ill. Adm. Code 280.170).

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Primary  
Secondary  
Service Drop  
Line Broken  
Primary  
Secondary  
Service Drop

Overhead Equipment Related

Contamination  
Malfunction  
Broken Fuse Link

Underground Equipment Related

Underground Failure  
Contamination  
Malfunction

Intentional

Scheduled Construction,  
Maintenance, or Repair  
Emergency Repairs  
Protection of System Integrity

Transmission and Substation  
Equipment Related

Contamination  
Transmission System Outage  
Substation Equipment

Unknown

Unknown\*

Other

Other

\* This category shall not be used if a reasonable and customary investigation should be expected to determine the proper cause of the interruption for which one of the other categories would be more appropriate.

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1) Heading of the Part: Non-Discrimination in Affiliate Transactions for Electric Utilities

2) Code Citation: 83 Ill. Adm. Code 450

3) Section Numbers: Emergency Action:

450.10 New Section  
450.20 New Section  
450.30 New Section  
450.40 New Section  
450.50 New Section  
450.60 New Section  
450.70 New Section  
450.80 New Section  
450.85 New Section  
450.90 New Section  
450.100 New Section  
450.110 New Section  
450.120 New Section  
450.130 New Section  
450.140 New Section  
450.150 New Section  
450.160 New Section

4) Statutory Authority: Implementing and authorized by Section 16-121 of the Public Utilities Act [220 ILCS 5/16-121].

5) Effective Date of Rules: June 14, 1998

6) If these emergency rules are to expire before the end of the 150-day period, please specify the date on which they are to expire: Not applicable.

7) Date Filed in Agency's Principal Office: June 12, 1998.

8) Reason for Emergency: On December 16, 1997, as part of Public Act 90-561, the Governor signed into law the Electric Service Customer Choice and Rate Relief Law of 1997, amending the Public Utilities Act (the Act) by adding a new Article XVI. Section 16-121 reads:

The Commission shall adopt rules and regulations no later than 180 days after the effective date of this amendatory Act of 1997 governing the relationship between the electric utility and its affiliates, and ensuring non-discrimination in services provided to the utility's affiliate and any alternative retail electric supplier, including without limitation, cost allocation, cross-subsidization and information sharing.

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TITLE 83: PUBLIC UTILITIES  
CHAPTER I: ILLINOIS COMMERCE COMMISSION  
SUBCHAPTER C: ELECTRIC UTILITIES  
PART 450  
NON-DISCRIMINATION IN AFFILIATE TRANSACTIONS FOR  
ELECTRIC UTILITIES

Section	Definitions
450.10	EMERGENCY
450.20	Non-Discrimination
EMERGENCY	
450.30	Non-Discrimination Concerning Services Provided Pursuant to
EMERGENCY	Section 16-118 of the Public Utilities Act
450.40	Tying
EMERGENCY	
450.50	Release, Assignment, Transfer, and Brokering of Capacity
EMERGENCY	
450.60	Nondiscriminatory Provision of Information to Unaffiliated
EMERGENCY	Entities
450.70	Customer Information
EMERGENCY	
450.80	Exception for Corporate Support Information
EMERGENCY	
450.85	Affiliate Information Sharing
EMERGENCY	
450.90	Confidentiality of Alternative Retail Electric Supplier
EMERGENCY	Information
450.100	Independent Functioning
EMERGENCY	
450.110	Employees
EMERGENCY	
450.120	Transfer of Goods and Services
EMERGENCY	
450.130	List of Affiliated Interests and ARES
EMERGENCY	
450.140	Maintenance of Books and Records and Commission Access
EMERGENCY	
450.150	Internal Audits
EMERGENCY	
450.160	Complaint Procedures
EMERGENCY	

AUTHORITY: Implementing and authorized by Section 16-121 of the Public Utilities Act [220 ILCS 5/16-121].

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Because of the time constraints necessitated by the legislature's deadline for the adoption of rules, and the efforts of the parties to the proceeding to reach agreement on rules, it was not possible to adopt rules through the normal rulemaking process by the statutory deadline.

9) A Complete Description of the Subjects and Issues Involved: These rules will help nurture the development of a competitive marketplace for electricity supply by preventing utilities from using unfair and anti-competitive practices to artificially support their own affiliates. In this regard, the rules address the provision of non-tariffed services, tying arrangements, release of capacity, information sharing, independent functioning, advertising, and maintenance of books and records. In addition, the rules reaffirm that utility-provided tariffed services shall be provided on a non-discriminatory basis, and, in so doing, the rules specifically prohibit certain discriminatory behavior and require a log for recording instances where utilities exercise discretion in implementing their tariffs.

10) Are there any other proposed amendments to this Part pending? No

11) Statement of Statewide Policy Objectives: These emergency rules neither create nor expand any State mandate on units of local government, school districts, or community college districts.

12) Information and questions regarding these rules shall be directed to:

Conrad S. Rubinkowski  
Office of General Counsel  
Illinois Commerce Commission  
527 East Capitol Avenue  
P.O. Box 19280  
Springfield IL 62794-9280  
Phone: (217) 785-3922  
Fax: (217) 524-9280

The full text of the Emergency Rules appears on the next page:



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SOURCE: Emergency rules adopted at 22 Ill. Reg. 11204, effective June 14, 1998, for a maximum of 150 days.

Section 450.10 Definitions  
EMERGENCY

"Act" means the Public Utilities Act [220 ILCS 5].

"Affiliated interest" has the same meaning as in Section 7-101(2) of the Act.

"Affiliated interests in competition with alternative retail electric suppliers" shall include affiliated alternative retail electric suppliers, as well as affiliated interests that broker, sell, or market electricity, or that provide consulting services directly related to the sale of electricity.

"Alternative retail electric supplier" or "ARES" has the same meaning as in Section 16-102 of the Act.

"Corporate support" means joint corporate oversight, governance, support systems and personnel, involving payroll, shareholder services, financial reporting, human resources, employee records, pension management, State and federal regulatory affairs, legal services, lobbying, and non-marketing research and development activities.

"Delivery services" has the same meaning as in Section 16-102 of the Act.

"Electric utility" has the same meaning as in Section 16-102 of the Act.

"Emergency support" means the temporary provision of personnel and other resources where consumer safety is at risk or to help maintain service during emergencies where interruption of service can only be avoided or reduced through the sharing of employees.

"Unaffiliated entity" means any entity other than either the electric utility or any of the electric utility's affiliated interests.

Section 450.20 Non-Discrimination  
EMERGENCY

- a) Electric utilities shall not provide affiliated interests or customers of affiliated interests preferential treatment or advantages relative to unaffiliated entities or their customers in connection with services provided under tariffs on file with the Illinois Commerce

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Commission (Commission). This provision applies broadly to all aspects of service, including, but not limited to, responsiveness to requests for service, the availability of firm versus interruptible services, the imposition of special metering requirements, and all terms and conditions and charges specified in the tariff.

- b) Except for corporate support transactions and services that have been declared competitive pursuant to Section 16-113 of the Act, transactions between an electric utility and one or more of its affiliated interests in competition with alternative retail electric suppliers that are not governed by tariff sheets on file with the Commission shall not discriminate in relation to unaffiliated alternative retail electric suppliers.
- c) Electric utilities and affiliated interests shall not notify potential or actual customers, either directly or indirectly, advertise to the public, or otherwise communicate that the electric utility provides any advantages relating to the scheduling, transmission or distribution of electricity to affiliated interests or their customers relative to unaffiliated entities and their customers.
- d) A utility shall process requests for similar services provided by the utility in the same manner and within the same time period for its affiliated interests in competition with alternative retail electric suppliers and for all similarly situated unaffiliated alternative retail electric suppliers and their respective customers.
- e) If discretion is permitted in application of a tariff provision, electric utilities shall maintain a log detailing each instance in which it exercised discretion, as required in Section 450.140(d).
- f) If an electric utility offers affiliated interests or customers of affiliated interests a discount, rebate, fee waiver or waivers of its ordinary terms and conditions for services provided under tariffs on file with the Commission, it shall contemporaneously offer the same discount, rebate, fee waiver or waivers of its ordinary terms and conditions to all unaffiliated entities and customers of unaffiliated entities, to the extent consistent with the tariffs. If an electric utility offers affiliated interests or customers of affiliated interests services that are not governed by tariff sheets, except for corporate support transactions and services that have been declared competitive pursuant to Section 16-113 of the Act, it shall contemporaneously offer such services to all unaffiliated entities and customers of unaffiliated entities. Electric utilities shall maintain a log of such instances, as required in Section 450.140(d).

Section 450.30 Non-Discrimination Concerning Services Provided Pursuant to  
Section 16-118 of the Public Utilities Act  
EMERGENCY

In providing any service or engaging in any activity pursuant to Section 16-118 of the Act, whether such service or activity is governed by tariffs filed with the Commission or by other agreements, electric utilities shall not

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without preference to affiliated interests or their customers. Electric utilities shall not provide any preferences to affiliated interests in requesting authorization for the release of customer information.

b) An unaffiliated ARES may submit, to an electric utility, a written standing request for any generic customer information concerning the usage, load shape curve or other general characteristics of customers by rate classification that the electric utility provides to its affiliated interests in competition with ARES. A standing request made pursuant to this Section shall expire one year after being received by the utility unless renewed in writing by the ARES.

c) The electric utility shall contemporaneously, and in the same form and manner, make available to any unaffiliated alternative retail electric suppliers that have submitted a standing request, pursuant to subsection (b) of this Section, any generic customer information concerning the usage, load shape curve or other general characteristics of customers by rate classification that the utility makes available to its affiliated interests in competition with alternative retail electric suppliers.

d) Any unaffiliated ARES that receives generic customer information pursuant to a standing request made under this Section or any affiliated interest in competition with ARES that receives generic customer information concerning the usage, load shape curve or other general characteristics of customers by rate classification from the electric utility shall, in accordance with Section 16-122(b) of the Act, pay the electric utility a reasonable fee in each instance that such information is provided.

Section 450.80 Exception for Corporate Support Information  
EMERGENCY

Except as proscribed by Sections 450.60 and 450.70, electric utilities may share information concerning corporate support with affiliated interests without being required to share such information with unaffiliated entities.

Section 450.85 Affiliate Information Sharing  
EMERGENCY

The affiliated interests of an electric utility shall neither directly nor indirectly provide preferential access to information to any of the utility's affiliated interests in competition with ARES where the utility's direct sharing of such information with an affiliated interest in competition with ARES would violate any Section of the Public Utilities Act or any Section of this Part.

Section 450.90 Confidentiality of Alternative Retail Electric Supplier Information  
EMERGENCY

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discriminate or provide preferential treatment in favor of their affiliated interests. Offers to provide service pursuant to Section 16-118 of the Act, whether through tariffs or agreements, shall be made concurrently to all similarly situated alternative retail electric suppliers or electric utilities other than the electric utility in whose service area retail customers are located.

Section 450.40 Tying  
EMERGENCY

Except for services that have been declared competitive pursuant to Section 16-113 of the Act, electric utilities shall not tie or otherwise condition the provision of any services, discounts, rebates, fee waivers, or waivers of the electric utilities' ordinary terms and conditions of service, including but not limited to tariff provisions, to the taking of any goods and services from the electric utilities' affiliated interests.

Section 450.50 Release, Assignment, Transfer, and Brokering of Capacity  
EMERGENCY

Except to the extent as reserved to the sole and exclusive jurisdiction of the Federal Energy Regulatory Commission (FERC), electric utilities shall not grant preferences regarding the release, assignment, transfer, or brokering of electric transmission system capacity to affiliated interests or their customers.

Section 450.60 Nondiscriminatory Provision of Information to Unaffiliated Entities  
EMERGENCY

a) Any ARES may submit, to an electric utility, a written standing request for information related to the electric utility's transmission or distribution systems that is provided by the utility to the electric utility's affiliated interests. Standing requests made pursuant to this Section shall expire one year after being received by the utility unless renewed in writing by the ARES.

b) Employees of the electric utility's affiliated interests shall not have preferential access to any information about the electric utility's transmission or distribution systems that is not contemporaneously and in the same form and manner available to an unaffiliated alternative retail electric supplier that has submitted a request pursuant to subsection (a) of this Section.

Section 450.70 Customer Information  
EMERGENCY

a) Customer information shall be made available in accordance with Section 16-122 of the Public Utilities Act (220 ILCS 5/16-122),

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Electric utilities shall treat all information obtained from an alternative retail electric supplier as confidential information, and shall not provide such information to its affiliated interests or to unaffiliated entities unless the alternative retail electric supplier provides authorization to do so.

**Section 450.100 Independent Functioning  
EMERGENCY**

Except in relation to corporate support and emergency support, electric utilities and affiliated interests in competition with ARES that provide services to customers within the utility's service territory shall function independently of each other and shall not share services or facilities.

**Section 450.110 Employees  
EMERGENCY**

- a) Except in relation to corporate support and emergency support, electric utilities and their affiliated interests in competition with alternative retail electric suppliers shall not jointly employ or otherwise share the same employees.
- b) Electric utilities shall not jointly employ or otherwise share employees engaged in providing delivery services with their affiliated interests in competition with alternative retail electric suppliers.
- c) Subsections (a), (b) and (d) of this Section shall not apply to any employee covered by a collective bargaining agreement subject to federal labor law, including the Labor Management Relations Act and the National Labor Relations Act.
- d) Each electric utility that has an affiliated interest in competition with ARES shall maintain a log detailing the transfer of employees: from the utility to its affiliated interests in competition with ARES; from the utility to its other affiliated interests; and from the utility's other affiliated interests to its affiliated interests in competition with ARES. This subsection shall not apply to employee transfers to or from corporations that are affiliated interests of the electric utility solely because they share a common director. The log shall be made available to the Commission upon request.

**Section 450.120 Transfer of Goods and Services  
EMERGENCY**

- a) Transactions between an electric utility and its affiliated interests shall not be allowed to subsidize the affiliated interests.
- b) In connection with an application for a certificate of service authority filed by an affiliated interest of an electric utility, pursuant to Section 16-115 of the Act, the affiliated interest shall provide a copy of a Commission approved services and facilities or affiliated interest agreement that explicitly addresses the cost allocation and valuation methodology to be applied to any transfer of

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goods and services: between the electric utility and its affiliated interests in competition with ARES; between the utility and its other affiliated interests; and between the utility's other affiliated interests and its affiliated interests in competition with ARES. In the event that there is no Commission approved agreement addressing these issues, the applicant shall submit such an agreement for approval as part of its application.

- c) Costs associated with the transfer of goods and services between an electric utility and its affiliated interests, including affiliated interests in competition with alternative retail electric suppliers, shall be priced as specified in, and allocated pursuant to, the Commission approved services and facilities agreement or affiliated interests agreement presented in the affiliated ARES certification proceeding. Any transfer of goods and services between an electric utility and its affiliated interests, including affiliated interests in competition with alternative retail electric suppliers, that is not explicitly addressed in a Commission approved services and facilities or affiliated interests agreement is prohibited unless the transfer has been otherwise specifically approved by the Commission pursuant to Section 7-101 of the Act or approval has been waived by statute or Commission rule.

**Section 450.130 Lists of Affiliated Interests and ARES  
EMERGENCY**

- a) Each electric utility shall maintain an accurate list of all its affiliated interests. Such list shall include the name and address of each affiliated interest and the name and business telephone number of at least one officer of each affiliated interest. The electric utility shall make this list available to the public upon request.
- b) The electric utility shall file this list and any subsequent changes to the list with the Chief Clerk of the Commission. The electric utility shall also send copies of the list and subsequent changes to the Director of the Accounting Department and the Manager of the Consumer Services Division of the Commission. The Chief Clerk of the Commission shall make the most recent list of each electric utility available to the public upon request.
- c) All ARES, including any utility affiliated ARES, shall, upon certification, but prior to commencing marketing operations, provide to each electric utility in each area of the ARES' certification, notice of the ARES' certification, its trade name, local address and address for service of process, local telephone number and telephone number of its parent company, local fax number and fax number of its parent company and Internet address, if any, of it and its parent company.
- d) The electric utility shall receive and compile all information submitted under subsection (c) above and shall make this information available to the public upon request.



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compliance with this Part, with any applicable Commission orders, with the electric utility's affiliated interest operating agreement(s) and/or guidelines, with 83 Ill. Adm. Code 415, and with 83 Ill. Adm. Code 420. The audits shall include written reports of conclusions and associated workpapers that shall be available to the Commission Staff for review. The audit reports shall be submitted to the Commission's Director of Accounting within 30 days after completion. Any audit performed pursuant to this Section may be designated as confidential with the Commission's Director of Accounting.

- b) The first such internal audit report shall be submitted on or before December 1, 1998. Succeeding audit reports shall be submitted on or before December 1 of each even numbered succeeding year.
- c) Subsections (a) and (b) of this Section shall not apply to transactions with corporations that are affiliated interests of the electric utility solely because they share a common director or transactions with individuals that are affiliated interests of the electric utility solely because they are an elective officer or director of the electric utility.

Section 450.160 Complaint Procedures  
EMERGENCY

- a) Complaints alleging violations of this Part shall be filed pursuant to 83 Ill. Adm. Code 200.
- b) Pursuant to Section 16-121 of the Act, after notice and hearing held on complaint or on the Commission's own motion, the Commission may:
  - 1) Order the affiliated alternative retail electric supplier to cease and desist, or correct, any violation of or non-conformance with the provisions of 83 Ill. Adm. Code 450;
  - 2) Impose financial penalties for violations of or non-conformance with the provisions of 83 Ill. Adm. Code 450, not to exceed \$10,000 per occurrence or \$30,000 per day for those violations or the non-conformance that continue after the Commission issues a cease-and-desist order; and
  - 3) Alter, modify or suspend the certificate of service authority of an electric utility's affiliated alternative retail electric supplier for substantial or repeated violations of or non-conformance with the provisions of 83 Ill. Adm. Code 450.

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Section 450.140 Maintenance of Books and Records and Commission Access  
EMERGENCY

- a) An electric utility shall maintain books, accounts, and records separate from those of its affiliated interests.
- b) In connection with an application for a certificate of service authority filed by an affiliated interest of an electric utility, pursuant to Section 16-115 of the Act, the affiliated interest shall provide a copy of a Commission approved services and facilities or affiliated interest agreement that explicitly sets forth both the cost allocation guidelines and the accounting conventions to be applied to any transactions between the electric utility and its affiliated interests in competition with ARES; between the utility and its other affiliated interests; and between the utility's affiliated interests in competition with ARES and its other affiliated interests. In the event that there is no Commission approved agreement addressing cost allocation and accounting conventions, the applicant shall submit such an agreement for approval as part of its application.
- c) Upon the request of the Commission, electric utilities shall make personnel available who are competent to respond to the Commission's inquiries regarding the nature of any transactions that have taken place between the electric utility and its affiliated interests, including but not limited to the goods and services provided, the prices, terms and conditions, and other considerations given for the goods and services provided.
- d) Each electric utility shall maintain a log detailing: each instance in which it exercised discretion in the application of tariff provisions; each instance in which it offered affiliated interests or customers of affiliated interests services not governed by tariffs, except for corporate support transactions and services that have been declared competitive pursuant to Section 16-113 of the Act; and each instance in which it offered affiliated interests or customers of affiliated interests a discount, rebate, fee waiver or waivers of the electric utility's ordinary terms and conditions in connection with services provided under tariffs on file with the Commission. The electric utility shall make such log available to the Commission upon request. The log shall contain the following information:
  - 1) the names of the affiliated interests and unaffiliated entities involved in the transaction;
  - 2) a description of the transaction;
  - 3) the time period over which the transaction applies; and
  - 4) the quantities and locations involved in the transaction.

Section 450.150 Internal Audits  
EMERGENCY

- a) Electric utilities shall conduct biennial internal audits on transactions with affiliated interests. These audits shall test

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- 1) Heading of the Part: Standards of Service for Electric Utilities
- 2) Code Citation: 83 Ill. Adm. Code 410
- 3) 

<u>Section Numbers:</u>	<u>Emergency Action:</u>
410.410	Repeal
410.420	Repeal
410.430	Repeal
410.440	Repeal
410.450	Repeal
410.460	Repeal
410.470	Repeal
410.480	Repeal
410.490	Repeal
410.TABLE A	Repeal
- 4) Statutory Authority: Implementing Section 8-301 and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/8-301 and 10-101].
- 5) Effective Date of Amendments: June 10, 1998
- 6) If these emergency amendments are to expire before the end of the 150-day period, please specify the date on which they are to expire: Not applicable
- 7) Date Filed in Agency's Principal Office: June 1, 1998
- 8) Reason for Emergency: With the emergency adoption of reliability rules to implement Section 16-125 of the Public Utilities Act, it is necessary to repeal on an emergency basis the reliability rules that the Commission had prior to the effective date of P.A. 90-561, which added Section 16-125 to the Public Utilities Act. Section 16-125 directs the Commission to adopt reliability rules conforming to the requirements of that Section within 180 days after the effective date of the amendments to the Public Utilities Act. Given the short time for the adoption of the new rules to replace Subpart C of this Part, it is necessary to use emergency rulemaking procedures to repeal the involved Sections.
- 9) A Complete Description of the Subjects and Issues Involved: Part 410 was amended in 1995 to include the Commission's requirements for electric utility service reliability. With the addition of Article XVI, the Electric Service Customer Choice and Rate Relief Law of 1997, to the Public Utilities Act, the scope of the Commission's jurisdiction over the provision of electric service has been radically altered. The Commission has adopted 83 Ill. Adm. Code 411, Electric Reliability, to comply with the dictates of Section 16-125 on electric reliability.
- 10) Are there any other proposed amendments to this Part pending? No
- 11) Statement of Statewide Policy Objectives: These emergency amendments neither create nor expand any State mandate on units of local government, school districts, or community college districts.
- 12) Information and questions regarding these amendments shall be directed to:

Conrad S. Rubinkowski  
Office of General Counsel  
Illinois Commerce Commission  
527 East Capitol Avenue  
P.O. Box 19280  
Springfield IL 62794-9280  
(217) 785-3922  
Fax: (217) 524-9280

The full text of the Emergency Amendments appears on the next page:

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF EMERGENCY AMENDMENTS

TITLE 83: PUBLIC UTILITIES  
CHAPTER I: ILLINOIS COMMERCE COMMISSION  
SUBCHAPTER C: ELECTRIC UTILITIES

## PART 410

## STANDARDS OF SERVICE FOR ELECTRIC UTILITIES

## SUBPART A: GENERAL

Section	
410.10	Authorization
410.20	Application
410.30	Exemptions or Deviations in Particular Cases
410.40	Saving Clause

## SUBPART B: STANDARDS OF SERVICE

Section	
410.110	Records and Reports
410.120	Meter Records
410.130	Customer Meter Test Records
410.140	Station Records
410.150	Complaints
410.160	Interruptions of Service
410.170	Location of Meters
410.175	Separate Metering
410.180	Testing Facilities and Equipment
410.190	Customer Meter Test Loads
410.200	Customer Watthour Meter Accuracy Requirements
410.210	Customer Demand Meter Accuracy Requirements
410.220	Initial Tests
410.230	Periodic Test of Customer Meters
410.240	Meter Tests Requested by Customer
410.250	Commission Referee Tests
410.260	Adjustments of Bills for Meter Error
410.270	Installation Inspections
410.280	Voltage Regulation
410.290	Voltage Surveys
410.300	Standard Frequency
410.310	Grounding of Secondaries
410.320	Service Drops
410.330	Extension of Lines in Urban Area
410.340	Extension of Lines in Rural Areas
410.350	Information to Customers
410.360	Information to REAPP Customers (Repealed)

## SUBPART C: ELECTRIC SERVICE RELIABILITY POLICY

## ILLINOIS COMMERCE COMMISSION

## NOTICE OF EMERGENCY AMENDMENTS

Section	
410.410	Purpose of Subpart C (Repealed)
EMERGENCY	Definitions of Terms in Subpart C (Repealed)
410.420	Applicability of Subpart C (Repealed)
EMERGENCY	Reliability Policy (Repealed)
410.430	Record-Keeping Requirements (Repealed)
EMERGENCY	Notice and Reporting Requirements (Repealed)
410.440	Interruption Cause Categories (Repealed)
EMERGENCY	Reliability Review (Repealed)
410.480	Modification or Exemption (Repealed)
EMERGENCY	
410.490	

## TABLE A Causes of Interruptions (Repealed)

## EMERGENCY

AUTHORITY: Implementing Section 8-301 and authorized by Section 10-101 of the Public Utilities Act [220 ILCS 5/8-301 and 10-101].

SOURCE: Effective August 1, 1948; amended at 5 Ill. Reg. 6805, effective June 12, 1981; codified at 8 Ill. Reg. 12183; amended at 10 Ill. Reg. 148, effective December 23, 1985; amended at 11 Ill. Reg. 8964, effective May 1, 1987; emergency amendment at 13 Ill. Reg. 16563, effective October 10, 1989, for a maximum of 150 days; amended at 14 Ill. Reg. 3454, effective March 1, 1990; amended at 16 Ill. Reg. 2544, effective February 1, 1992; amended at 19 Ill. Reg. 2804, effective April 1, 1995; emergency amendment at 22 Ill. Reg. \_\_\_\_\_, effective June 10, 1998, for a maximum of 150 days.

## SUBPART C: ELECTRIC SERVICE RELIABILITY POLICY

## Section 410.410 Purpose of Subpart C (Repealed)

## EMERGENCY

the--Illinois--Commerce--Commission--(Commission)--has--designed--the--electric service--reliability--policy--to--establish:

- a) Reporting requirements to help the Commission gather information on electric service reliability for each electric utility in the State of Illinois; and
- b) A procedure for review of information and data on electric service reliability to determine if the Commission should adopt electric service reliability standards and if so, the appropriate provisions to include in such standards.



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(Source: Repealed by emergency amendment at 22 Ill. Reg. 11215, effective June 10, 1998, for a maximum of 150 days)

Section 410.420 Definitions of Terms in Subpart C (Repealed)  
EMERGENCY

- For purposes of this Subpart, the following definitions shall apply:
- a) "Customer" is a dwelling, business, or other location where electric service is provided, if more than one billing account exists at one location (e.g., two tenants at the same address), each active billing account is considered a customer. A customer can have one or more meter points (or service points) at a given location. If multiple meter points (or service points) exist at the location, interruption of any meter point (or service point) constitutes an interruption to the customer.
  - b) "Distribution circuit interruption" is an interruption originating at a point which is between the circuit interrupting device at the substation and the distribution transformer.
  - c) "Electric service" means the availability of electric power at the point of connection between utility equipment and customer equipment.
  - d) "Electric utility" or "utility" means a public utility, as defined by Section 3-105 of the Public Utilities Act ("Act") (220 ILCS 5/3-105), providing electric service to customers in Illinois.
  - e) "Interruption" means the loss by one or more customers of electric service for a period longer than one minute in duration and requiring human intervention by the utility to restore electric service. This definition specifically excludes occurrences of the loss of electric service when automatic switches, automatic line reclosing devices, or other automatic utility devices successfully restore electric service. In addition, the term "interruption" shall not include the following:
    - 1) Interruptions intentionally initiated by a utility and affecting only those customers taking electric service pursuant to the provisions of an interruptible service tariff or contract approved by the Commission;
    - 2) Interruptions intentionally initiated by a utility for nonpayment of a bill and according to the provisions of Sections 8-201, 8-202, 8-203, 8-204, 8-205 and/or 8-206 of the Act; and
    - 3) Interruptions intentionally initiated by a utility due to tampering with service equipment;
    - 4) Interruptions intentionally initiated by a utility due to its being denied access to service equipment located on the affected customer's private property;
    - 5) Interruptions intentionally initiated by a utility due to hazardous conditions located on the affected customer's private property (such as a fire);
    - 6) Interruptions intentionally initiated by a utility due to a request by the affected customer; and

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- 7) Interruptions intentionally initiated by a utility due to a request by a valid law enforcement agency, fire department, or other governmental agency responsible for public welfare. In addition, scheduled interruptions initiated by a utility for repair or maintenance shall not be included among the interruptions used to calculate the reliability index. For all other purposes under this Reliability Policy, including but not limited to the reporting requirements under Section 410.468, the term "interruption" shall include scheduled interruptions initiated by a utility for repair or maintenance.
- f) "Interruption duration" means a period of time measured to the nearest one minute increment which starts when a utility is notified or becomes aware of an interruption, unless a utility can determine a more precise estimate of the actual starting time of an interruption and ends when a utility restores electric service.
- g) "Operating Area" means the utility's internal and then most current geographical segregation of its service territory for its electrical transmission and distribution operations.
- h) "Reliability indices" are as follows:
  - 1) "System Average Interruption Frequency Index" (SAIFI) is the average number of interruptions per customer during the year. It is calculated by dividing the total annual number of interruptions by the average number of customers served during the year.
  - SAIFI =  $\frac{\text{Number of Customer Interruptions}}{\text{Average Number of Customers Served}}$
  - 2) "Customer Average Interruption Duration Index" (CAIDI) is the average interruption duration for those customers who experience interruptions during the year. It is calculated by dividing the annual sum of all customer interruption durations by the total number of interruptions.
  - CAIDI =  $\frac{\text{Sum of all Interruption Durations}}{\text{Number of Interruptions}}$
  - 3) "Customer Average Interruption Frequency Index" (CAIFI) is the average number of interruptions for those customers who experience interruptions during the year. It is calculated by dividing the total annual number of interruptions by the total number of customers affected by interruptions. In determining the total number of customers affected, each customer is counted only once regardless of the number of interruptions that the customer may have experienced during the year.
  - CAIFI =  $\frac{\text{Number of Interruptions}}{\text{Number of Customers Affected}}$

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1) "Worst-performing-circuits" are those circuits which, for each reliability index, are among the one percent of all circuits in an operating area for at least one circuit for each reliability index with the highest achieved values (lowest performance level) for the reliability index. For the purpose of identifying worst-performing circuits, only distribution circuit interruptions (as defined in Section 410-420(b)) and customers affected by such interruptions shall be considered in calculating the reliability indices.

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

Section 410.430 Applicability of Subpart C (Repealed)

EMERGENCY

The electric service reliability policy is applicable to every electric utility as defined in Section 410-420(d), which serves more than 15,000 customers in Illinois.

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

Section 410.440 Reliability Policy (Repealed)

EMERGENCY

Each utility shall provide service and facilities which, in accordance with Section 9-401 of the Act, are in all respects adequate, efficient, reliable and environmentally safe and which are consistent with these obligations, constitute the least cost means of meeting the utility's service obligations, insofar as would be consistent with the utility's obligations to provide efficient, safe and least cost service, each utility shall strive to prevent interruptions of electric service and, when such interruptions occur, restore electric service within the shortest reasonable time.

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

Section 410.450 Record-Keeping Requirements (Repealed)

EMERGENCY

1) Required records--Except as provided in subsection (b)--below utilities shall maintain, for the most recently preceding five-year period, the following records:

- 1) Records sufficient to determine a history of electric service interruptions experienced by each customer at the customer's current location--The records shall be sufficient to determine the following information for each interruption:
  - 1) Starting date

- 2) Starting time
- 3) Interruption duration
- 4) Cause
- 5) Operating area of the affected circuit(s)
- 6) Circuit number(s) of the affected circuit(s)
- 7) Number of customers affected
- 8) Service account number of each customer affected, and
- 9) Address of each affected customer location
- 10) Records showing for each circuit the total number of customers served by the circuit at the end of each year
- 11) Periods for which records are not required--Utilities need not maintain records reflecting the information identified in subsection (a) above for any period prior to calendar year 1994--in addition, any utility which as of January 1, 1994, does not have the technical capability to collect and record some or all of the information identified in Section 410-450(a) need not maintain records reflecting such information for any period prior to January 1, 1999.

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

Section 410.460 Notice and Reporting Requirements (Repealed)

EMERGENCY

1) Telephone or facsimile notice--A utility must provide notice by telephone or by facsimile transmission to the Consumer Services Division of the Commission when any single event (e.g., storm, tornado, equipment malfunction, etc.) causes interruptions for 10,000 or more of the utility's customers for three hours or more. After such interruptions have continued for three hours, a utility must provide notice within one hour when the notice would be provided during normal business hours or within the first hour of the next business day to the extent that data and information are known, such notice shall include the following:

- 1) A reasonable estimate of the number of customers the interruption affects
- 2) Starting date
- 3) Starting time
- 4) Interruption duration
- 5) Location, described as precisely as possible in general terms, such as street recognized and geographically oriented, or community address, subdivision or community
- 6) Cause
- 7) The date and time when the utility expects to restore electric service, and
- 8) The name and telephone number of a utility representative, the Commission staff can contact for more information about the interruption.



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- b) Annual report: On or before June 1 of each year, each utility shall file with the Chief Clerk of the Commission an Annual Report which includes the following information:
- 1) A general assessment of electric service reliability in the utility's service territory. (The assessment shall include a review of programs the utility uses to provide reliable service; the cost of such programs; a description of new programs or changes to existing programs which the utility is considering for the future; and any other information the utility deems relevant to electric service reliability in its service territory.)
- 2) A table showing the achieved level of each of the reliability indices for each operating area of the utility for the preceding calendar year (provided, however, that for any reporting period commencing before April 1, 1990, utilities will not be required to report the CAIPI reliability index as defined in Section 410-420(b)(3)).
- 3) A list showing the worst performing circuits for each operating area of the utility. (The designation of circuits as "worst performing circuits" shall not, in and of itself, be deemed to constitute a violation of the Act or any Commission order, rule, direction or requirement.)
- 4) A statement of the operating and maintenance history of circuits designated as worst performing circuits; a description of any action taken or planned to improve the performance of any such circuit (which shall include information concerning the cost of such action); and a schedule for completion of any such action. (The utility may decide, based on cost considerations or other factors, that it should take no action to improve the performance of one or more circuits designated as worst performing circuits. If the utility decides to take no action to improve the performance of one or more circuits designated as worst performing circuits, the utility shall explain its decision in its Annual Report.)
- 5) A discussion of the status of actions which the utility indicated in prior Annual Reports that it would take to improve electric service reliability; and
- 6) The name, address and telephone number of a utility representative who can be contacted for additional information regarding the Annual Report.
- e) Customer report: A utility shall, upon request made by a customer or the Consumer Services Division of the Commission, provide to the customer and/or the Consumer Services Division within thirty days after the request, a report on all interruptions which the customer making the request or subject to the Consumer Service Division's request has experienced at the customer's current service location during the most recently preceding five calendar years. The report shall identify for each interruption the information specified in Section 410-450(a)(1)(A)-(D). Notwithstanding the provisions of this

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- subsection, a utility is not required to report data pursuant to this Section which Section 410-450(b) does not require a utility to maintain. This subsection does not alter the provisions of 0-111-Adm-Code-200 and 200 which relate to informal and formal complaint procedures.
- d) Staff Report: On or before June 1, 2000, and June 1 of each succeeding year, each utility shall submit to the Program Director of the Consumer Services Division of the Commission a report which includes the following information:
- 1) A list showing the 0.1 percent of the utility's customers or 100 customers, whichever is smaller, with the largest number of interruptions during the prior year. (The list shall include the number of interruptions experienced by each customer, and identify the circuit involved for each customer by a unique circuit number assigned by the utility. Each customer included in such a list shall be identified by a unique number assigned by the utility and not that customer's name and/or account number; and
- 2) A list showing the 0.1 percent of the utility's customers or 100 customers, whichever is smaller, with the largest number of interruption duration hours during the prior year. (The list shall include the number of interruption duration hours experienced by each customer, and identify the circuit involved for each customer by a unique circuit number assigned by the utility. Each customer included in such a list shall be identified by a unique number assigned by the utility and not that customer's name and/or account number.)
- e) For any reporting period commencing before April 1, 1990, if the actual value of any component needed to compute the information required by subsections (b)(2) and/or (b)(3) above is not available, utilities shall use reasonable estimates of such components. For any reporting period commencing after April 1, 1990, utilities may rely upon reasonable estimates of any components needed to compute the information required by subsections (b)(2), (b)(3), (c) and/or (d) above in the event that weather-related interruptions or other circumstances render the use of actual data impracticable or cost ineffective. When a utility relies upon such reasonable estimates, the utility shall identify the data which is estimated data and explain the circumstances requiring the use of estimated data. Upon request of the Commission Staff or a customer, the utility also shall furnish an explanation of the method or methods used to generate the estimated data.

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

11215

Section 410.470 Interruption Cause Categories (Repealed)  
EMERGENCY



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111. Adm. Code 380 and shall set forth specific reasons and facts in support of the requested exemption or modification;  
b) In determining whether good cause has been shown, the Commission shall consider among other things:  
1) The extent to which circumstances beyond the control of the utility have made compliance with the applicable Section extremely difficult;  
2) Whether the utility has made a good faith effort to comply with the applicable Section in a timely fashion; and  
3) Whether other information which the utility would provide if the waiver is granted, permits the Commission Staff to review the subject fitting in a complete, timely and meaningful manner.

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

11215

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In adhering to the interruption recordkeeping and reporting requirements set forth in Section 410-450 and Section 410-460, each utility shall classify and report on the cause of each interruption using the cause categories and interruption code descriptions given in Table A of this Part:

11215

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

Section 410.480 Reliability Review (Repealed)

EMERGENCY

- a) After all utilities have filed the third Annual Report required by Section 410-460(b), the Commission may elect to initiate a proceeding for the purpose of deciding whether to adopt electric service reliability standards and if so, the appropriate provisions for such standards. In determining whether to adopt electric service reliability standards and if so, the appropriate provisions for such standards, the Commission shall at a minimum consider the following:  
1) Information submitted pursuant to Section 410-460;  
2) The nature and cost of programs that utilities have designed to maintain and improve electric service reliability;  
3) The nature and cost of the utilities' interruption data record-keeping and reporting capabilities;  
4) Information developed from surveys designed to learn whether customers believe that utilities should improve the level of electric service reliability and if so, whether customers are willing to pay rates which reflect the associated costs; and  
5) Testimony on the subject of electric service reliability submitted in Commission proceedings.  
b) The Commission may elect to initiate an investigation of a utility to determine whether the utility provides electric service consistent with the reliability policy set forth in Section 410-440. Based on the record developed in such an investigation, the Commission may enter an order requiring a utility to take such corrective action as the Commission deems necessary to improve the electric service reliability of the utility.

(Source: Repealed by emergency amendment at 22 Ill. Reg. effective June 10, 1998, for a maximum of 150 days)

11215

Section 410.490 Modification or Exemption (Repealed)

EMERGENCY

- a) Any utility may file an application requesting modification of or exemption from any Section of this Subpart as such Section applies to the utility filing the application. For good cause shown, the Commission may grant such a request for modification or exemption. A petition for exemption or modification shall be filed pursuant to 03

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Section 410. TABLE A Causes of Interruptions (Repealed)  
EMERGENCY

Interruption-Cause-Categories	Interruption-Code-Description
Utility/Contractor-Personnel-Errors	Unclassified-Error
	Switching-Error
	Accident-by-Utility
	Testing-Error
	Dig-in-by-Utility
	Accident-by-Utility-Contractor
	Dig-in-by-Utility-Contractor
	Overload
Customer	Customer-Equipment
Public	Foreign-Object
	Pipe
	Vandalism
	Accident-by-Others
	Dig-in-by-Others
	Blighting
	Wind
	Ice
	Sub-zero-Cold
	Flooding
	Wildlife
	Tree-Contact
	Limbs-Broken
	Contamination
	Malfunction
	Broken-Pipe-Link
	Underground-Failure
	Contamination
	Malfunction
	Initiated-by-Utility-for-Maintenance
	or-Repair
	Contamination
	Malfunction
	Unknown
	None/Other

(Source: Repealed by emergency amendment at 22 Ill. Reg. 11215, effective June 10, 1998, for a maximum of 150 days)

DEPARTMENT OF TRANSPORTATION  
NOTICE OF CORRECTIONS TO PROPOSED RULES

- 1) Heading of the Part: Contract Procurement
- 2) Code Citation: 44 Ill. Adm. Code 660
- 3) Illinois Register citation to Notice of Proposed Rules: 22 Ill. Reg. 9470, June 5, 1998
- 4) Sections being corrected: Section 660.100
- 5) Corrections being made: This Notice contains the complete changes made to the above cited rule published on page 9480 of the June 5, 1998 *Illinois Register*.

The following, by this Notice, changes the text at Section 660.100:

Section 660.100 Small Contracts

- a) Individual contracts for supplies or services from any one source that do not exceed \$10,000 may be made without notice, competition or use of any other method of procurement prescribed in the Code or this Part. (See Section 20-20(a) of the Code.) Contracts for professional and artistic services that do not exceed \$20,000 for a nonrenewable term of not more than one year will be procured in accordance with this Section.
- b) Construction contracts, ~~construction supply contracts, construction---contract---change---orders---and construction-related service contracts and change orders made thereto that do not exceed \$30,000 may be procured without notice, competition or use of any other method of procurement prescribed in the Code or this Part. (See Section 20-20 of the Code.)~~
- c) Section 20-20(c) of the Code authorizes the establishment of a threshold higher than the small purchase limit established in the Code for ~~construction---contract---change---orders~~. The threshold established determines the level above which a method of procurement prescribed in the Code and this Part will be used. Additionally, Section 30-35 of the Code provides that a construction contract change order may cause the obligation or expenditure of funds in excess of the original contract price provided that the subject of the change order is germane to the original contract. Section 30-35 of the Code further establishes the manner in which the amount of additional expenditure or obligation will be determined and authorized by the Department. In order to give full effect to the intention of Section 20-20(c) and the provisions of Section 30-35 of the Code, the Department will approve construction contract change orders and the obligation or expenditure of additional funds in accordance with the following requirements and thresholds.
  - 1) A construction contract change order that causes the

## DEPARTMENT OF TRANSPORTATION

## NOTICE OF CORRECTIONS TO PROPOSED RULES

obligation or expenditure of more than \$30,000 in excess of the contract price will not be authorized unless the object of the change order is germane to the original contract.

- 2) Determination of germaneness and the amount of additional expenditure or obligation thresholds will be determined in accordance with this Part and Section 30-35 of the Code.
  - 3) Prior written approval will be made by the Department if the contemplated construction contract change order will cause an expenditure or obligation of funds of more than \$30,000 in excess of the contract price. The written approval will state the reasons for the additional obligation or expenditure and the basis for the germaneness determination.
  - 4) For purposes of determining the scope of the change order and the value thereof that is subject to the requirements of this Section, the Department will consider the total net value of all added and deducted work functions related to the object of the change order and the work of the contract to be affected.
  - 5) Notice of approved construction contract change orders in excess of \$30,000 will be published in the Transportation Bulletin.
- d) Estimated needs shall not be divided in any manner to avoid the use of an established method of procurement. (See Section 20-20(a) of the Code.)

## DEPARTMENT OF NATURAL RESOURCES

## NOTICE OF RECODIFICATION

- 1) Heading of the Part: Public Museum Financial Support
- 2) Code Citation: 23 Ill. Adm. Code 3200
- 3) Date of Administrative Code Division Review:
- 4) Headings of Parts Affected: The Department of Energy and Natural Resources was changed to Department of Natural Resources by Executive Order Number 2 (1995).

Part Numbers  
3200

Headings:  
Public Museum Financial Support



## DEPARTMENT OF NATURAL RESOURCES

## NOTICE OF RECODIFICATION

## TITLE 23: EDUCATION AND CULTURAL RESOURCES

## SUBTITLE B: CULTURAL RESOURCES

## CHAPTER II: DEPARTMENT OF ENERGY-AND NATURAL RESOURCES

## PART 3200

## PUBLIC MUSEUM FINANCIAL SUPPORT

## Section

3200.5 Authority

3200.10 Definitions

3200.20 Eligibility Criteria for Applicant Facilities

3200.30 Funding Determination

3200.40 Application Procedure

3200.50 Use of Grant Funds

**AUTHORITY:** Implementing and authorized by Section 1-25(22) of the Department of Natural Resources Act [20 ILCS 801/1-25(22)].

**SOURCE:** Emergency rule adopted at 3 Ill. Reg. 11, p. 18, effective March 1, 1979, for a maximum of 150 days; adopted at 4 Ill. Reg. 18, p. 113, effective April 22, 1980; amended at 5 Ill. Reg. 5649, effective May 18, 1981; codified at 8 Ill. Reg. 1448; amended at 10 Ill. Reg. 4536, effective February 28, 1986; recodified from the Department of Energy and Natural Resources to the Department of Natural Resources at 22 Ill. Reg. \_\_\_\_\_.

**Section 3200.10 Definitions**

"Applicant" means a public museum which makes an application to the Department pursuant to this Part.

"Capital Expenditure" means an outlay of capital that results in the acquisition of property or permanently improves its value.

"Care(s)" means the keeping of adequate records pertaining to the provenance, identification and location of the museum's holdings, and the application of current professionally accepted methods to their security and to the minimization of damage and deterioration.

"Department" means the Illinois Department of Energy-and Natural Resources.

"Director" means the Director of the Department.

"Nonprofit" means that the applicant has documentary evidence of its tax-exempt status under the regulations of the U.S. Internal Revenue Service.

"Operating Expenditures" means funds actually expended by an applicant

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## NOTICE OF RECODIFICATION

for the recurring day-to-day expenses which are ordinary and necessary to maintain and operate the facility for its principal purpose as a public museum.

"Organized" means that the applicant is a duly constituted body with expressed responsibilities.

"Permanent" means that the applicant has existed for at least two years and is expected to continue in perpetuity.

"Professional Staff" means that the applicant has at least one paid employee, who commands an appropriate body of special knowledge and the ability to reach museological, zoological or aquarium (whichever shall be applicable) decisions consonant with the experience of his or her peers, and who has access to and acquaintance with the literature of the field, and that such employee works sufficient hours to meet adequately the current demands of administration and care.

"Public Museum" means a facility operating for the purpose of acquiring, conserving, preserving, studying, interpreting, enhancing, and, in particular, organizing and continuously exhibiting tangible objects to the public for its instruction and enjoyment, and is operated by or located upon land owned by a unit of local government.

"Schedule" means regular and predictable hours which constitute substantially more than a token opening, so that access is reasonably convenient to the public.

"Tangible Objects" means specimens (including, but not limited to, specimens of non-domesticated animals and fish), artifacts, articles, documents and other things of historical, anthropological, archeological, industrial, scientific or artistic import which form the applicant's collections and have intrinsic value to science, history, art or culture.

"Unit of Local Government" means counties, municipalities, townships, special districts and units, designated as units of local government by Illinois law, which exercise limited governmental power or powers in respect to limited governmental subjects, but does not include school districts.

(Source: Amended at 10 Ill. Reg. 4536, effective February 28, 1986)

**Section 3200.40 Application Procedure**

- a) Any applicant seeking financial contribution under this Part shall send 5 (five) copies of each of the following documents to the Director of the Department of Energy--and Natural Resources, c/o

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## NOTICE OF RECODIFICATION

Illinois State Museum, Spring and Edwards Streets, Springfield, Illinois 62706, Attention: Museum Aid Program.

1) A notarized letter of application executed by the chief executive officer of the institution which certifies that the applicant

- A) maintains its tax-exempt status under the regulations of the U.S. Internal Revenue Service; and
- B) is operated by or located upon land which is owned by a unit of local government; and
- C) has accurately determined the amount of operating expenditures which are identified on Attachment B of the application; and
- D) has and will continue to use any contributions received pursuant to the Act only for operating and/or capital expenditures.

- 2) A completed information form shall be appended to the application, as Attachment A.
- 3) The annual report of the applicant for the year preceding its application. (Provide as Attachment B.)
- 4) The audited financial statements of the applicant prepared by a certified public accountant for the two years preceding the applicant's application and the written reconciliation statement if required by Section 3200.30(c)(3). (Provide as Attachment C.)
- 5) A written statement signed by the applicant's chief financial officer which states that the amount of operating expenditures claimed in accordance with Section 3200.30(c) is accurate and complies with this Part.
- b) An application shall be made between January 1 and March 30 of each year when appropriations have been made available to the Department for distribution under this Part.

(Source: Amended at 10 Ill. Reg. 4536, effective February 28, 1986)

## CARNIVAL-AMUSEMENT SAFETY BOARD

## JULY 1998 REGULATORY AGENDA

- a) Part(s) (Heading and Code Citation): Carnival and Amusement Rides Safety Act, 56 Ill. Adm. Code 6000.340

## 1) Rulemaking:

- A) Description: The Carnival-Amusement Safety Board is reviewing the practice of "bungee catapulting" where there is no overhead obstruction that could injure the patron. The Board will consider whether the concept of using two towers, with the rider(s) in a protective shell that is suspended on bungee cords stretched between the towers, should be classed as an amusement ride and not as a bungee catapult. In operation, the bungee cords propel the patron upward and there is no overhead structure which could present a hazard as would be encountered with the earlier form of bungee catapulting.
- B) Statutory Authority: 430 ILCS 85/2-6
- C) Schedule of meetings and hearing dates: The date of the public hearing will be announced at the time a Notice of Proposed Amendment is published.
- D) Date agency anticipates First Notice: The Board anticipates publishing the first notice in February 1999.

- E) Information concerning this regulatory agenda shall be directed to: Carl Kimble, P.E.  
Chief Inspector  
Illinois Department of Labor  
1 W. Old State Capitol Plaza, Room 300  
Springfield, IL 62701  
(217) 782-9347

- F) Will this rule/amendment affect small business, small municipalities or not for profit corporations? Yes

- G) Other pertinent information concerning this rule/amendment: None

## DEPARTMENT OF THE LOTTERY

## JULY 1998 REGULATORY AGENDA

- a) Part(s) (Heading and Code Citation): Lottery (General), 11 Ill. Adm. Code 1770

1) Rulemaking:

A) Description: The Department anticipates rulemaking to clarify Section 1770.150(g) regarding retailer responsibility for consigned tickets, to restore "Chief Accountant" references to Section 1770.90, to amend various subsections addressing the definition of "person" in connection with Lottery prize claims, and to address Lottery retailer reimbursement in certain situations where an employee of the retailer redeems a winning ticket with a net prize value of \$600 or more.

B) Statutory Authority: Sections 7.1 and 7.2 of the Illinois Lottery Law.

C) Scheduled meeting/hearing date: No meetings or hearings are scheduled.

D) Date agency anticipates First Notice: August 1998.

E) Affect on small business, small municipalities or not for profit corporations: Small businesses, small municipalities and not for profit corporations will be affected by the rulemaking only if such entities hold a Lottery license. The contemplated rulemaking will impose no additional reporting obligations upon these entities.

F) Agency contact person for information:

Name: Lisa A. Crites  
Address: Illinois Lottery  
201 E. Madison  
Springfield, IL 62702  
Telephone: 217/524-5253

G) Related rulemakings and other pertinent information: There are no related rulemakings.

JOINT COMMITTEE ON ADMINISTRATIVE RULES  
ILLINOIS GENERAL ASSEMBLY

## SECOND NOTICES RECEIVED

The following second notices were received by the Joint Committee on Administrative Rules during the period of June 9, 1998 through June 15, 1998 and have been scheduled for review by the Committee at its July 21, 1998 meeting in Chicago. Other items not contained in this published list may also be considered. Members of the public wishing to express their views with respect to a rule should submit written comments to the Committee at the following address: Joint Committee on Administrative Rules, 700 Stratton Bldg., Springfield IL 62706.

Second Notice Expires	Agency and Rule	Start of First Notice	JCAR Meeting
7/23/98	Department of Professional Regulation, Veterinary Medicine and Surgery Practice Act of 1994 (68 Ill Adm Code 1500)	4/17/98 22 Ill Reg 6815	7/21/98
7/25/98	Department of Nuclear Safety, Licensing of Radioactive Material (32 Ill Adm Code 330)	4/3/98 22 Ill Reg 6039	7/21/98
7/25/98	Illinois Racing Board, Hearings and Enforcement Proceedings (11 Ill Adm Code 204)	3/13/98 22 Ill Reg 4847	7/21/98
7/26/98	Office of the Treasurer, Access to Information (2 Ill Adm Code 651)	1/9/98 22 Ill Reg 1119	7/21/98
7/26/98	Office of the Treasurer, Home Ownership Made Easy (74 Ill Adm Code 750)	1/9/98 22 Ill Reg 1124	7/21/98
7/26/98	Office of the Treasurer, Smart Money Program Confidentiality Requirements (74 Ill Adm Code 730)	1/9/98 22 Ill Reg 1137	7/21/98



on September 27, 1997; and

Whereas, Kelly Ann and James met while attending Bradley University in Peoria through friends at Sully's; and

Whereas, James proposed to Kelly Ann on Grandview Drive in Peoria; and  
Whereas, James is a Sales Representative for a paint company and Kelly Ann is a nurse;

Therefore, I, Jim Edgar, Governor of the State of Illinois, extend best wishes and sincere congratulations on this special day to James and Kelly Ann. Issued by the Governor May 21, 1998.

Filed by the Secretary of State June 5, 1998.

98-322

#### **JOBS FOR AMERICA'S GRADUATES DAY**

Whereas, Jobs For America's Graduates is the largest national model of a school-to-work transition program for students who are at risk of unemployment or underemployment; and

Whereas, the model includes training students in employability skills, intensive employer marketing, job placement, and a full 12 months of follow-up support for those entering the workforce and/or pursuing post-secondary education; and

Whereas, students in the Jobs for America's Graduates program have consistently met standards of a 90 percent graduation rate and an 80 percent positive outcome rate; and

Whereas, full-time employed graduates more than repay the cost of their being in the program within 14 months in total taxes paid; and

Whereas, the State of Illinois has successfully implemented the model over the past two years and in over 60 Illinois schools; and

Whereas, Jobs For America's Graduates is holding its national training seminar in Chicago for job specialists from 29 states, the United Kingdom, and the Virgin Islands as well as national leaders from business, government and education;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim July

9, 1998, as **JOBS FOR AMERICA'S GRADUATES DAY** in Illinois.

Issued by the Governor May 21, 1998.

Filed by the Secretary of State June 5, 1998.

98-323

#### **RIDGE TERRACE DAY**

Whereas, Ridge Terrace is celebrating its 10th Anniversary on June 16, 1998; and

Whereas, Ridge Terrace, a 16-bed home for the developmentally disabled located on Highlandview Drive off of Kiwanis Avenue in Freeport, Illinois, was built in May of 1988; and

Whereas, the residents that reside in the home range in age from 20 to 70 years old; and

Whereas, the residents work during the day at Malcolm Eaton Enterprises earning income by working on a variety of different skilled jobs for a variety of companies including Micro Switch and Good Year; and

Whereas, Jonathan Eastman is currently the director of both Ridge Terrace

#### **PROCLAMATIONS**

98-319

#### **EASTER SEALS DAY**

Whereas, since 1919, the Illinois Easter Seal Society has served children and adults with disabilities; and

Whereas, the Chicago South District Shell Dealers, in partnership with Easter Seals, are holding their fifth annual Benefit to help Easter Seals continue quality services to more than 10,000 children with disabilities in the Chicagoland area; and

Whereas, to recognize the efforts of the South District Shell Dealers and honor their community spirit, Illinois citizens are encouraged to salute the Shell Oil Company/Illinois Easter Seal Society partnership and participate in the many activities planned to support Easter Seals;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim September 21, 1998, as **EASTER SEALS DAY** in Illinois.

Issued by the Governor May 21, 1998.

Filed by the Secretary of State June 5, 1998.

98-320

#### **FREEPORT TERRACE DAY**

Whereas, Freeport Terrace is celebrating its 10th Anniversary on June 16, 1998; and

Whereas, Freeport Terrace, a 16-bed home for the developmentally disabled located on Highlandview Drive off of Kiwanis Avenue in Freeport, Illinois, was built in May of 1988; and

Whereas, the residents that reside in the home range in age from 20 to 70 years old; and

Whereas, the residents work during the day at Malcolm Eaton Enterprises earning income by working on a variety of different skilled jobs for a variety of companies including Micro Switch and Good Year; and

Whereas, Jonathan Eastman is currently the director of both Ridge Terrace and Freeport Terrace and Elsie DeWall is the administrator of the two facilities; and

Whereas, Raymond Bernhart, William DeBlasio, Jon Ferguson, Dorothy Hall and Josie Mozden have all lived at Freeport Terrace since its opening in 1988; and

Whereas, the residents and staff of Freeport Terrace should be commended for their hard work and commitment to the community of Freeport;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 16, 1998, as **FREEPORT TERRACE DAY** in Illinois and urge all Illinoisans to visit the residents and staff of the facility.

Issued by the Governor May 21, 1998.

Filed by the Secretary of State June 5, 1998.

98-321

#### **JAMES BRAXTON LOVETT IV AND KELLY ANN MULVIHILL CONGRATULATED**

Whereas, Kelly Ann Mulvihill and James Braxton Lovett IV will be married

and Freeport Terrace and Elsie DeWall is the administrator of the two facilities; and

Whereas, Lynda Bailey, Janice Confer, Mary Goosby, Rhoda Hawthorne, Mary Heise, Melissa Johnson, Ruth Scovill, Tracy Wagner and Joe Welles have all lived at Ridge Terrace since its opening in 1988; and

Whereas, the residents and staff of Ridge Terrace should be commended for their hard work and commitment to the community of Freeport;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 16, 1998, as *RIDGE TERRACE DAY* in Illinois and urge all Illinoisans to visit the residents and staff of the facility.

Issued by the Governor May 21, 1998.

Filed by the Secretary of State June 5, 1998.

#### 98-324

##### AZERBAIJANI AMERICAN CULTURAL SOCIETY DAY

Whereas, the second World Azerbaijanis Congress will be held on May 30-31, in Washington, DC; and

Whereas, the main mission of this congress is to promote and preserve the Azerbaijani heritage, culture and language as well as to broaden contacts amongst Azerbaijani organizations worldwide; and

Whereas, the Azerbaijani Americans Cultural Society (AACS) will celebrate the 80th anniversary of the founding of the Republic of Azerbaijan on May 28, 1998; and

Whereas, Azerbaijan was the first Muslim country to become a democratic republic in the world on May 28, 1918; and

Whereas, after many long and tortured years under communism, it has freed itself again to become a secular and democratic nation tied to the western world;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 28, 1998, as *AZERBAIJANI AMERICAN CULTURAL SOCIETY DAY* in Illinois.

Issued by the Governor May 22, 1998.

Filed by the Secretary of State June 5, 1998.

#### 98-325

##### EXCELLENCE IN SCOUTING DAY

Whereas, Boy Scouts of America is a National Organization designed to give the youth of our community alternatives to gangs and drugs; and

Whereas, the Northwest Suburban Council represents an area of the state for the Boy Scouts; and

Whereas, the Northwest Suburban Council annually recognizes those adult volunteers that give their time and moral commitment to the programs of the Boy Scouts of America through their meaningful contributions to the programs of the scouting movement; and

Whereas, those volunteers have been selected to receive the Silver Beaver Award; and

Whereas, the Northwest Suburban Council further recognizes those adults who have shown their unwavering commitment to youth through their fundraising efforts; and

Whereas, the State of Illinois recognizes the achievements of those youths, who represent only 2 percent of those boys in scouting, who have

attained the rank of Eagle Scout;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 31, 1998, as *EXCELLENCE IN SCOUTING DAY* in Illinois.

Issued by the Governor May 22, 1998.

Filed by the Secretary of State June 5, 1998.

#### 98-326

##### FLORENCE B. WINSTON DAY

Whereas, Florence B. Theus Winston was born June 2, 1898, in Jackson County, Tennessee, one of 10 children to Alfred and Betty Theus and, this year is celebrating her 100th birthday; and

Whereas, Florence married her beloved Fred Winston, a union to which one daughter was born, and then relocated to Evanston, Illinois, where she has now resided for over 50 years; and

Whereas, Mrs. Winston remained active in the community as long as her health permitted, worked side by side with her husband, volunteered in the Community Hospital Auxiliary, actively participated in the Eastern Stars Organization, and committed her time and talents to the Senior Choir and Flower Club of Ebenezer A.M.E. Church; and

Whereas, Mrs. Winston has been an inspiration to her family and many friends through her life-long inner strength and fortitude and her sharp mind and amazing memory, and has brought sheer joy to others with her captivating smile and engaging sense of humor; and

Whereas, Mrs. Winston, as a centenarian who continues to live independently and tries to keep abreast of the community news, epitomizes the valuable resource our older citizens represent to our community, having given of their talents, wisdom, experience and resource for many years;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 2, 1998, as *FLORENCE B. WINSTON DAY* in Illinois.

Issued by the Governor May 22, 1998.

Filed by the Secretary of State June 5, 1998.

#### 98-327

##### GENEVA SCOTT OUTREACH SERVICES DAY

Whereas, the Geneva Scott Outreach Services, founded May 17, 1982, is a non-profit organization that is oriented and aligned with a basic Christian philosophy; and

Whereas, the organization's motto, "People Helping People," simplifies its purpose; and

Whereas, this foundation has gained respect and support from the community with doctors, lawyers, ministers and social workers volunteering their time, skills and financial resources to the betterment of the Geneva Scott Outreach Services; and

Whereas, the Geneva Scott Outreach Services has aided five families in saving their homes, given scholarship donations to inner-city youth and other scholarship funds, has offered food, clothing, monthly rent payments and medical and pharmaceutical needs, and has fed more than 6,027 people; and

Whereas, Mrs. Geneva Scott, organizer and founder of the Geneva Scott Outreach Services, embraces the philosophy of "People Helping People". Her



Whereas, for over 200 years, the Bald Eagle has served as our country's living symbol of freedom and spirit; and  
Whereas, it was selected as the United States' official national emblem on June 20, 1782, by the Second Continental Congress; and

Whereas, at this time, experts believed there may have been as many as 75,000 bald eagles in the lower 48 states. The Bald Eagle became threatened with extinction in the 1960s due to pesticide use, habitat loss, and other problems created by humans before people took notice. For years the bald eagle was listed as endangered under the Endangered Species Act; and

Whereas, now the number of Bald Eagles has increased so much that in June 1994 the U.S. Fish and Wildlife Service proposed that they be downgraded from endangered status to less urgent status of threatened in all but three of the lower 48 states. More than 4,000 adults currently soar in American skies; and  
Whereas, Bald Eagles are a very important part of the environment. By eating dead animal matter, they help with nature's clean-up process. Bald Eagles are also hunters, so they keep animal populations strong. They do this by killing weak, old and slower animals, leaving only the healthiest to survive; and

Whereas, the recovery of the USA's Bald Eagle population was accomplished due to the vigilant efforts of numerous caring agencies, corporations, organizations and citizens;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 20, 1998, as **AMERICAN BALD EAGLE DAY** in Illinois.

Issued by the Governor May 26, 1998.

Filed by the Secretary of State June 5, 1998.

98-330

**CORNERSTONE CENTER DAY**

Whereas, the Cornerstone Center will celebrate its grand opening on Thursday, May 28; and

Whereas, Cornerstone Center is a very special new community services center that was developed with a combination of public and private funding. It serves as a modern-day "settlement house," bringing together in one building a continuum of organizations and services that will help people of all ages, incomes and stages of life to strengthen mind, body and spirit; and

Whereas, the 50,000 square-foot, \$7.5 million Cornerstone Center, located near Wells and Division streets in Chicago, serves as a permanent home to four successful community service programs that for more than 20 years have been working independently to improve the lives of children, adolescents, families and the elderly. It will also house a new child care program; and

Whereas, Cornerstone Center is part of a multi-use development which also includes Maple Pointe, a 20-story building with 342 units of affordable apartments for seniors that opened in 1996 and was made possible by a \$34 million low-income housing tax credit - the largest ever allocated in the State of Illinois; and

Whereas, more than 2,000 people are expected to participate in Cornerstone programs each week; and

Whereas, the creation of Cornerstone Center is the culmination of a remarkable history of achievement for a small inner city church. The unique funding plan that made it possible will be shared with inner city churches

goal is to expand a viable social service entity in the community with a constant focus on addressing the needs of the less fortunate; and  
Whereas, the Geneva Scott Outreach Services is celebrating its 16th Anniversary on May 30, 1998;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 30, 1998, as **GENEVA SCOTT OUTREACH SERVICES DAY** in Illinois.

Issued by the Governor May 22, 1998.

Filed by the Secretary of State June 5, 1998.

98-328

**UNIVERSITY OF ILLINOIS ALUMNI ASSOCIATION DAY**

Whereas, the University of Illinois Alumni Association has existed for nearly as long as the University of Illinois has had alumni. The University's first class graduated in 1872, four years after the University opened its doors for instruction. One year later the members of the initial graduating class returned to campus for the 1873 Commencement and while there formed the Alumni Association; and

Whereas, in the 125 years since its founding, the University of Illinois Alumni Association has become an intrinsic part of the University, and its members and leaders can point with pride to their countless contributions toward advancing the institution. It was a committee of alumni, for example, that recommended changing its name from the "Illinois Industrial University" to the "University of Illinois;" and

Whereas, as the University has grown and evolved, with campuses at Chicago, Springfield, and Urbana-Champaign--as well as College of Medicine programs in Peoria and Rockford, and former campuses at Chicago's Navy Pier and Galesburg--the Alumni Association has striven to inform and involve alumni and to raise awareness of the University's impact on lives of the citizens of our state, our nation and our world; and

Whereas, around the globe, University of Illinois alumni occupy positions of leadership in education, government, the arts, business, engineering, agriculture, architecture, medicine, chemistry and many other fields. With more than 112,000 members worldwide, the University of Illinois Alumni Association is one of the largest organizations of its kind in the country. Its outreach efforts, including publications, college and departmental alumni association, regional alumni clubs, alumni career centers, student alumni organizations and more, have kept hundreds of thousands of alumni informed about, and connected to, their alma mater; and

Whereas, how fitting that on this occasion we celebrate not only the 125th anniversary of the first University of Illinois alumni meeting, but also Executive Director and Chief Administrative Officer Louis D. Liay's more than 40 years of dedicated service to the University of Illinois. His retirement marks the culmination of a chapter rich in loyalty and leadership in the Association's history;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 5, 1998, as **UNIVERSITY OF ILLINOIS ALUMNI ASSOCIATION DAY** in Illinois.

Issued by the Governor May 22, 1998.

Filed by the Secretary of State June 5, 1998.

98-329

**AMERICAN BALD EAGLE DAY**



throughout the nation that are seeking to make positive changes in their neighborhoods;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 28, 1998, as **CORNERSTONE CENTER DAY** in Illinois.

Issued by the Governor May 26, 1998.

Filed by the Secretary of State June 5, 1998.

98-331

#### **MEN'S HEALTH WEEK**

Whereas, preventative health measures, such as disease awareness and controlling the diet, remain essential to the early detection and treatment of health problems affecting men; and

Whereas, this year, an estimated 184,500 men will be diagnosed with prostate cancer and 39,200 men will die from this cancer alone. That is not taking into account the thousands of men who will suffer from various other diseases such as testicular cancer, heart disease, lung cancer and other health related problems; and

Whereas, the National Men's Health Foundation developed National Men's Health Week as a nationwide public service campaign designed to help educate men and their families about the importance of positive health attitudes and preventive health practices; and

Whereas, on a national level, in addition to non-gender specific issues such as heart disease, cholesterol count, blood pressure, etc., the specific men's health issues that will be addressed include stroke, colon cancer, prostate cancer, testicular cancer, suicide, alcoholism and men's fear of doctors, among others;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 15-21, 1998, as **MEN'S HEALTH WEEK** in Illinois.

Issued by the Governor May 26, 1998.

Filed by the Secretary of State June 5, 1998.

98-332

#### **PASTOR GREG WENHOLD DAY**

Whereas, Pastor Greg Wenhold is the Senior Pastor at Good Shepherd Lutheran Church in Naperville; and

Whereas, he joined the staff on April 2, 1995, and will be leaving to accept a new call at Gloria Dei Church in Huntingdon Valley, PA; and

Whereas, under his leadership at Good Shepherd Naperville, the church has become one of the fastest growing in the Chicago area, and is known for its progressive approach to scripture and liturgical music; and

Whereas, under his dynamic leadership, and because of his boundless energy and magnetic charisma, the parish has grown by hundreds; and

Whereas, with the church's phenomenal growth, a massive building program to expand the church facilities is in the works. This campaign, known as "Vision 2000," will prepare the church for even more growth into the 21st century. Although his modesty will not permit him to say so, those who know Pastor Wenhold recognize that his foresight and vision is what has driven growth and excitement in the church; and

Whereas, while some in the congregation joke that Pastor Wenhold accepted this call so he could once again be close to his beloved Philadelphia Phillies,

the congregation recognizes his call to another congregation and wishes Pastor Wenhold and his wife, IdaLynn, and their children, Daniel, Haile and Gregory, nothing but the best;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 31, 1998, as **PASTOR GREG WENHOLD DAY** in Illinois.

Issued by the Governor May 26, 1998.

Filed by the Secretary of State June 5, 1998.

98-333

#### **PEARLS OF DISTINCTION FASHIONETTA DEBUTANTE COTILLION DAY**

Whereas, Nu Omicron Omega Chapter of Alpha Kappa Alpha Sorority, Incorporated will present the Pearls of Distinction Fashionetta Debutante Cotillion on Saturday, May 30, 1998; and

Whereas, Nu Omicron Omega is a graduate chapter of Alpha Kappa Alpha Sorority, Incorporated, the oldest Greek letter organization established in America by black college women; and

Whereas, Alpha Kappa Alpha Sorority, Incorporated has sought to cultivate and encourage high scholastic standards among its members and community, to improve the stature of women and girls, and to be of service to all mankind; and

Whereas, the Fashionetta Debutante Cotillion represents an opportunity to present young women to society while building character and camaraderie; and

Whereas, the Pearls of Distinction Fashionetta Debutantes have participated in service projects, educational programs and committed themselves to making the culminating evening special; and

Whereas, the proceeds from the Pearls of Distinction Fashionetta Debutante Cotillion will be used to support scholarships for the participants and the chapter's higher education scholarship program;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 30, 1998, as **PEARLS OF DISTINCTION FASHIONETTA DEBUTANTE COTILLION DAY** in Illinois.

Issued by the Governor May 26, 1998.

Filed by the Secretary of State June 5, 1998.

98-334

#### **OPERATION GRADUATION WEEKEND**

Whereas, Operation Graduation is a six-state campaign devoted to the safety of high school seniors on graduation night. The campaign is designed to fund alcohol-free/drug-free graduation parties that are safe, memorable and fun; and

Whereas, in an effort to encourage high schools to hold alcohol-free/drug-free graduation parties, local cable systems in the Midwest region are donating money to corresponding area high schools; and

Whereas, this project also provides high schools with information kits containing an Operation Graduation How-to Guide, pamphlets and brochures on the dangers of drunk driving, statistical information and other resources for promoting Operation Graduation; and

Whereas, together, local cable system employees in Illinois are fighting to stop needless deaths on our roads and highways that result from reckless behavior on graduation night;

98-337  
FAMILY FEDERATION FOR WORLD PEACE AND UNIFICATION DAY (2)

Whereas, just as love within the family is the cornerstone of a society, the Family Federation for World Peace and Unification (FFWPU) believes that empowering the family's moral leadership of society is fundamental to society's well-being; and

Whereas, couples are coming together at Blessing 98 to make a sacred commitment to practice True Love as a way of life, emphasizing pruity before marriage, fidelity within marriage and the family's contribution to the well being of the community, nation and world; and

Whereas, as the founders of the Family Federation for World Peace and Unification jointly share the goal to bring together husbands and wives who are dedicated to the service of God and humankind; and

Whereas, millions of couples worldwide of all races, nations and religions will participate in this great movement for world peace; and

Whereas, the Family Federation for World Peace and Unification is holding its Fourth World Culture and Sports Festival at Madison Squar Garden in New York City on Saturday, June 13, 1998; and

Whereas, 4,000 delegates from Illinois will be joining 10,000 couples from all over the United States, who have re-dedicated their marriages centered on God;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 13, 1998, as *FAMILY FEDERATION FOR WORLD PEACE AND UNIFICATION DAY* in Illinois.

Issued by the Governor May 28, 1998.  
Filed by the Secretary of State June 5, 1998.

98-338  
MOTHER MARY ISABELLE CALLAHAN WRIGHT DAY

Whereas, Mary Isabelle Callahan was born July 18, 1898, in McCormick County, South Carolina; and

Whereas, this outstanding ambassador of positive principles is a model of moral and ethical righteousness; and

Whereas, she has set at the tutelage of James Weldon Johnson and countless other outstanding educators at Allen University in Columbia, South Carolina; and

Whereas, on Valentine Day, 1924 Mary Isabelle Callahan joined in holy wedlock with Glover C. Wright; and

Whereas, Mary I. Wright's struggle for the right to vote did not end in 1920 with the passing of the 19th Amendment; and

Whereas, Mary Isabelle Wright was consecrated a Deaconess by Bishop John A. Gregg more than 50 years ago and is known by Bishops, Presiding Elders and Pastors across the African Methodist Episcopal Church; and

Whereas, she has kept the faith and remained steady through the trails and tribulations of life; and

Whereas, "Her heart is fixed and her mind is made up;" and

Whereas, Mary Isabelle Wright has been a citizen of the State of Illinois since 1920;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim July 18, 1998, as *MOTHER MARY ISABELLE CALLAHAN WRIGHT DAY* in Illinois.

Issued by the Governor May 28, 1998.

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 5-7, 1998, as *OPERATION GRADUATION WEEKEND* in Illinois.

Issued by the Governor May 27, 1998.  
Filed by the Secretary of State June 5, 1998.

98-335  
SISTER CLARITA LANGENFELD DAY

Whereas, Frances Langenfeld was born on May 19, 1898, in Earling, Iowa, one of 10 children born to Nick and Kathryn Langenfeld; and

Whereas, she entered the Community of the School Sisters of Saint Francis on August 2, 1922, and took the name Sister Clarita in 1923; and

Whereas, Sister Clarita taught in several schools in Wisconsin and Illinois, including Our Lady of Victory in Chicago, St. Petronella in Glen Ellyn, St. Joseph in Summit, St. James in Decatur, and St. Benedict in Chicago; and

Whereas, the State of Illinois is happy to recognize milestones in the lives of individuals who have made significant contributions to the well-being of the citizens of this state; and

Whereas, it is with great pride that Illinois recognizes the 100th anniversary of the birth of Sister Clarita Langenfeld and the 75th Jubilee of her being a part of the Community of the School Sisters of St. Francis;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 19, 1998, as *SISTER CLARITA LANGENFELD DAY* in Illinois.

Issued by the Governor May 27, 1998.  
Filed by the Secretary of State June 5, 1998.

98-336  
THE IMPROVED BENEVOLENT AND PROTECTIVE  
ORDER OF ELKS WEEK

Whereas, The Improved Benevolent and Protective Order of Elks of the World was granted a copyright as an organization on September 28, 1898, in Cincinnati, Ohio; and

Whereas, the purpose of the organization is that the welfare and happiness of its members be promoted and enhanced; the nobleness of soul and goodness of heart be cultivated so that the principles of Charity, Justice, Brotherly/Sisterly Love be inculcated; that its members and families be assisted and protected; and that the spirit of patriotism be enlivened and exalted; and

Whereas, the Elks is the largest, predominately Black, fraternal organization in the world, and boasts a membership of over 450,000, with lodges and temples in the United States, Canada, Mexico, Cuba, West Indies, Virgin Islands, Panama, Alaska, and the Bahamas; and

Whereas, the Elks is celebrating its 100th year anniversary in Las Vegas, Nevada, from August 1-7, 1998, and should be commended for their contributions and commitment to the State of Illinois;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim August 1-7, 1998, as *THE IMPROVED BENEVOLENT AND PROTECTIVE ORDER OF ELKS WEEK* in Illinois.

Issued by the Governor May 27, 1998.  
Filed by the Secretary of State June 5, 1998.



Filed by the Secretary of State June 5, 1998.

#### 98-339

##### TRAILS DAY

Whereas, trails are a valuable community resource providing recreational benefits to area residents and are an important contributor to the region's economic developments; and

Whereas, trails are an integral part of the Illinois' recreation and transportation system, thus improving the quality of life for residents and attracting tourists and visitors; and

Whereas, nature trails offer an opportunity for all Illinoisans to enjoy the natural heritage of our state and to experience nature firsthand, with the added bonus of improving our physical fitness;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 6, 1998, as **TRAILS DAY** in Illinois.

Issued by the Governor May 28, 1998.

Filed by the Secretary of State June 5, 1998.

#### 98-340

##### URBANA MIDDLE SCHOOL CONCERT BAND DAY

Whereas, the Superstate Concert Band Festival was held on May 8, 1998, at the Knannert Center for Performing Arts in Urbana, Illinois; and

Whereas, the festival is sponsored by the University of Illinois School of Music, University Bands, and the Office of Continuing Education and Public Service in Music; and

Whereas, presiding as judges for the event were Richard Blatti, Associate Director of Bands, Ohio State University; Michael Davis, Music Conductor, Walt Disney World; Stephen Gage, Director of Bands, Youngstown State University; and Malcolm Rowell, Director of Bands, University of Massachusetts; and

Whereas, the Urbana Middle School Concert Band has been selected to perform at the festival for the past four years; and

Whereas, the Urbana Middle School Concert Band is directed by Miss Karen DeBauche; and

Whereas, other band staff members include Mr. Joe Legg, Mr. Joe Shelato, Ms. Ellen Elrick, and Music Coordinator, Mr. Ken Peters; and

Whereas, the principal of Urbana Middle School is Ms. Marion Krier, and the Superintendent of Urbana Schools is Dr. Gene Amberg; and

Whereas, the Urbana Middle School Concert Band performed "Hymn for Band," "Emperata Overture," and "Silvercrest;" and

Whereas, Urbana Middle School Concert Band was named the "Honor Band" for 1998 in the Jr. High/Middle School Combined category along with Glenview Middle School;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim May 29, 1998, as **URBANA MIDDLE SCHOOL CONCERT BAND DAY** in Illinois.

Issued by the Governor May 28, 1998.

Filed by the Secretary of State June 5, 1998.

#### 98-341

##### DR. EARLIE WASHINGTON DAY

Whereas, Dr. Earlie M. Washington has been named the recipient of the 1998 Elizabeth Butler Alumni Award from the University of Chicago, School of Social Service Administration Alumni Association; and

Whereas, this award will be presented on June 6, 1998. It is a prestigious award that recognizes a recent graduate who has demonstrated exceptional commitment and contributions to the field of social work; and

Whereas, the award acknowledges Dr. Washington for her distinguished career in social work research and community service which reflects the generalist and leadership skills that are the cornerstones of an SSA education; and

Whereas, as Dean of the University of Southern Mississippi School of Social Work, Dr. Washington has supported the study of social work in the best traditions of SSA and of the profession; and

Whereas, Dr. Washington is a member of many professional associations and has been recognized by numerous organizations for her contributions to scholarship and community practice; and

Whereas, among her many accomplishments was being recognized as the 1996 Outstanding Community Leader by the City of Hattiesburg, Mississippi; and

Whereas, Dr. Washington has provided outstanding achievements and contributions to teaching and learning in the undergraduate and graduate contexts, and SSA honors her for her leadership and inspiration;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 6, 1998, as **DR. EARLIE WASHINGTON DAY** in Illinois.

Issued by the Governor May 29, 1998.

Filed by the Secretary of State June 5, 1998.

#### 98-342

##### MARFAN SYNDROME AWARENESS WEEK

Whereas, the Marfan syndrome is a heritable disorder of the connective tissue that affects many organ systems including the skeleton, the lungs, the eyes and the heart and blood vessels; and

Whereas, the Marfan syndrome affects both men and women of any race and ethnic group. It is estimated that at least 200,000 people in the United States have the Marfan syndrome or a related connective tissue disorder; and

Whereas, since 1990, the National Marfan Foundation (NMF) has testified annually before the House and Senate through the Coalition of Heritable Disorders of Connective Tissue. This enables the NMF to increase awareness in the legislative bodies about connective tissue disorders in general, and the Marfan syndrome specifically, and encourages funding of research at the National Institute of Health (NIH) on these disorders; and

Whereas, nearly 75 chapters, support groups and phone contacts for people with the Marfan syndrome have emerged; and

Whereas, the NMF established a Research Grant Program in 1986 to fund basic and clinical research on the Marfan syndrome. Since 1989, the NMF has awarded research grants to meritorious projects selected through a peer review by the NMF's Scientific Advisory Board. This program has become a catalyst for dramatic advances in Marfan syndrome research; and

Whereas, on June 14, the Northern Illinois Chapter of the NMF will hold a walk-a-thon. In addition to a fund-raiser, this event is held to increase the awareness of the Marfan syndrome;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June



will sponsor "Illinois Small Business: Benchmark for Action," a series of five regional meetings designed to obtain the opinions and recommendations of the small business community on issues critical to economic success; Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 1-30, 1998, as **SMALL BUSINESS MONTH** in Illinois.  
Issued by the Governor May 29, 1998.  
Filed by the Secretary of State June 5, 1998.

98-345  
**CWLA/WILLIAM ANDERSON SCHOLARSHIP AWARD DAY**

Whereas, City Wide Liquor Association (CWLA) has announced the formation of the Annual William "Bill" Anderson Scholarship Awards whereby each year, four deserving high school graduates will receive \$1000 financial grant to further their educational goals; and  
Whereas, the 1st Annual William "Bill" Anderson Scholarship Award Dinner will take place July 26 from 4:00 p.m. to 9:00 p.m. at the Drury Lane Martiniue, 2500 W. 95th Street, Evergreen Park, Illinois; and  
Whereas, students have been selected from Calumet, Dunbar, Englewood and Simeon High Schools in the City of Chicago; and  
Whereas, CWLA was developed in 1991. The sole purpose of this Association was to encourage liquor licensees conducting business in the predominately African-American community, located in the Chicago metropolitan and Cook County area, to do so with a sense of pride, dignity and responsibility; and  
Whereas, CWLA is committed to: Providing a full compliment of services including non-alcoholic beverages; checking identification to prevent underage drinking; refusing the sale to customers who are intoxicated; making offers to call cabs/friends for customers and advising them not to drive if warranted; maintaining clean environment both in and outside place of business; prohibit loitering and prohibit illegal or disruptive behavior; and  
Whereas, CWLA is active in community projects including donating to Chicago Park District outings, high school and college scholarship programs and Adopt-A-School programs;  
Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim July 26, 1998, as **CWLA/WILLIAM ANDERSON SCHOLARSHIP AWARD DAY** in Illinois.  
Issued by the Governor June 1, 1998.  
Filed by the Secretary of State June 5, 1998.

98-346  
**GREAT SEAL DAY**

WHEREAS, on July 4, 1776, the Continental Congress established a committee to design a National Seal which would reflect the Founding Father's beliefs, values and sovereignty of the new nation; and  
WHEREAS, the final design selected contains on the front of the Great Seal the coat of arms of the United States, which is the symbol and badge of this nation's government; and  
WHEREAS, the Great Seal is a heraldic device and, as such, each element displayed upon it has a specific meaning; and  
WHEREAS, the Great Seal is used to emboss its design upon International Treaties and other official U.S. Government documents. Both sides of the Great Seal, obverse and reverse, picture on the back of the one dollar bill;

14-20, 1998, as **MARPAN SYNDROME AWARENESS WEEK** in Illinois.  
Issued by the Governor May 29, 1998.  
Filed by the Secretary of State June 5, 1998.

98-343  
**MYASTHENIA GRAVIS MONTH**

Whereas, Myasthenia Gravis, often referred to as "the disease nobody knows", is a neuro- muscular disorder that can affect anyone, regardless of age, race or sex; and  
Whereas, originally diagnosed in the 17th century, this potentially fatal disorder currently afflicts about 240,000 Americans. Only in the last few decades has any real progress been made in diagnosing and treating this disease, largely through the efforts of the Myasthenia Gravis Foundation; and  
Whereas, since diagnosis of Myasthenia Gravis is difficult, due to its similarities to other disorders, public awareness must be heightened. Medical professionals and physicians also need further education in its symptoms so that our citizens may be assured of proper care and treatment;  
Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 1998 as **MYASTHENIA GRAVIS MONTH** in Illinois.  
Issued by the Governor May 29, 1998.  
Filed by the Secretary of State June 5, 1998.

98-344  
**SMALL BUSINESS MONTH**

Whereas, a strong and stable economy is largely dependent on the determination and dedication of the small business community; and  
Whereas, with more than 617,928 established small businesses in Illinois, small businesses represent 85 percent of the firms in our state; and  
Whereas, Illinois has recognized the importance of small businesses by making a strong and targeted commitment to provide them assistance through programs administered by the Illinois Department of Commerce and Community Affairs Illinois Small Business Development Center Network, which includes 40 Small Business Development Centers, 12 Procurement Technical Assistance Centers, five International Trade Centers, two NAFTA Opportunity Centers and two Small Business Innovation Research Centers, in partnership with the United States Small Business Administration, the United States Department of Defense, Illinois colleges and universities, chambers of commerce, economic and neighborhood development organizations, and the private sector throughout Illinois; and  
Whereas, since 1991, the Illinois Small Business Development Center Network has provided technical assistance and training to nearly 120,000 Illinois small business owners and entrepreneurs, resulting in the creation of 13,087 new jobs, retention of 12,199 existing jobs, establishment of 2,466 new businesses, 1,435 business expansions, provision of more than \$327 million in business financing, and development of more than \$100 million in new export sales; and  
Whereas, Illinois is proud of the partnership it has developed with private sector business organizations and associations and the small business community; and  
Whereas, in June 1998, the Department of Commerce and Community Affairs

THEREFORE, I, Jim Edgar, Governor of the State of Illinois, proclaim June 20, 1998, as **GREAT SEAL DAY** in Illinois.  
 Issued by the Governor May 21, 1998.  
 Filed by the Secretary of State June 5, 1998.

## 98-347

## LIONS CANDY DAY

Whereas, Lions of Illinois have spearheaded efforts to protect our citizens against the ravages of blindness and deafness for many years; and  
 Whereas, presently, 28,000 Illinois citizens are blind and 106,000 Illinois residents are deaf or hearing-impaired; and  
 Whereas, Lions have expended millions of dollars in recent years for Diabetic Eye Center, low vision clinics and hearing screenings, camping programs, hearing aid and eyeglass collections, and hundreds of other local programs; and  
 Whereas, on Friday, October 9, 1998, Lions are observing Candy Day, their primary fund-raising event of the year;  
 Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim October 9, 1998, as **LIONS CANDY DAY** in Illinois in recognition and support of the organization's many worthwhile endeavors.  
 Issued by the Governor June 1, 1998.  
 Filed by the Secretary of State June 5, 1998.

## 98-348

## ALFREDA READUS DAY

Whereas, Mrs. Alfreda Readus will be honored on June 12, 1998, with a retirement dinner in Chicago; and  
 Whereas, Mrs. Readus, Local Office Administrator, Roseland Local Office, retired effective April 30, 1998, after 44 years of dedicated and committed service to the Department of Human Services; and  
 Whereas, Mrs. Readus graduated from Kentucky State University in 1947 and did her post-graduate work at Howard University in Washington, DC; and  
 Whereas, Mrs. Readus served on several community boards in the Roseland area during a 23-year period including Metropolitan Family Services, Human Resources and Development Institute, Roseland Hospital and Catholic Charities; and  
 Whereas, Mrs. Readus has proven to be a wonderful and effective administrator, well-respected by employees and the community which she served;  
 Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 12, 1998, as **ALFREDA READUS DAY** in Illinois.  
 Issued by the Governor June 2, 1998.  
 Filed by the Secretary of State June 5, 1998.

## 98-349

## HARLEM COMMUNITY CENTER DAY

Whereas, the Harlem Community Center (H.C.C.) is opening up a new complex on June 6, 1998, in Loves Park, IL; and  
 Whereas, H.C.C. offers programs and scholarships to children in order to provide them with opportunities within the community; and

Whereas, H.C.C. is committed to helping various special children in the community and without H.C.C.'s help or existence these children may not have the chance to participate in recreational activities; and  
 Whereas, Your hard work and dedication to the youth and your commitment to this area of the state is commendable;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 6, 1998, as **HARLEM COMMUNITY CENTER DAY** in Illinois and congratulate you on the opening of the new H.C.C. Complex.

Issued by the Governor June 2, 1998.

Filed by the Secretary of State June 5, 1998.

## 98-350

## JIM REILLY DAY

Whereas, Jim Reilly, Chief Executive Officer of the Metropolitan Pier and Exposition Authority (MPEA), will receive the "Man of the Year" Award at the Coalition For United Community Action's 26th Annual Unity Testimonial Awards Banquet, on June 6, 1998, in the Grand Ballroom of the Palmer House; and  
 Whereas, the "Man of the Year" Award is bestowed annually upon the individual who has, throughout the years, consistently exhibited superior leadership qualities, and has unselfishly contributed to the community with efforts above and beyond the call of duty. The Coalition honors individuals whom they feel have made the greatest contribution to minority communities by inspirational example, devotion, accomplishments and leadership; and

Whereas, the Coalition noted that Jim Reilly has been an advocate for minority and women entrepreneurs on legislative, programmatic and advocacy fronts. Throughout his tenure at the MPEA, he has striven to develop projects and opportunities designed to include and encourage participation by minority and women-owned business. In addition, Reilly has led the efforts to ensure that minority and women tradespeople are afforded the opportunity to compete in the labor force; and

Whereas, Jim received his bachelor's degree from Illinois College in Jacksonville and his Juris Doctor from the University of Chicago. He is currently on the Board of Directors of the Illinois Institute of Technology and Mercy Hospital in Chicago. He was also an Illinois State Representative from 1977 to 1983, and while in private practice, was also the City Attorney for Jacksonville from 1973-1976; and

Whereas, with the exception of a brief period when Jim served as my Chief of Staff, he has led the Authority since 1989. In addition to managing the day-to-day operations of the Authority, Jim helped spearhead the \$1 billion expansion of McCormick Place and the \$200 million renovation of Navy Pier;  
 Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 6, 1998, as **JIM REILLY DAY** in Illinois.

Issued by the Governor June 2, 1998.

Filed by the Secretary of State June 6, 1998.

## 98-351

## AMATEUR ALL-STAR BASEBALL WEEK

Whereas, baseball has long been an important part of growing up for millions of young men and women throughout the United States; and  
 Whereas, amateur baseball leagues around the country have taught players

young and old the value of sportsmanship, competition and hard work; and

Whereas, in the spirit of this American pastime, the non-profit youth baseball organization, Amateur All-Star Baseball, Inc., created the National Amateur All-Star Baseball Tournament to offer invaluable experience and spirited competition to some of today's best players aged 16-18; and

Whereas, Chicago will host this year's National Amateur All-Star Baseball Tournament on June 21-26;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim June 21-26, 1998, as **AMATEUR ALL-STAR BASEBALL WEEK** in Illinois.

Issued by the Governor June 3, 1998.

Filed by the Secretary of State June 5, 1998.

Rules acted upon during the quarter of April 1 through June 30, 1998 (Issues 1-13) are listed in the Issues Index by Title number, Part number and Issue number. For example, 50 Ill. Adm. Code 4401 published in Issue 40 will be listed as 50-4401-40. The letter "R" designates a rule that is being repealed. Inquiries about the Issues Index may be directed to the Administrative Code Division at 217-782-4414 or [jnatale@ccgate.sos.state.il.us](mailto:jnatale@ccgate.sos.state.il.us) (Internet address).

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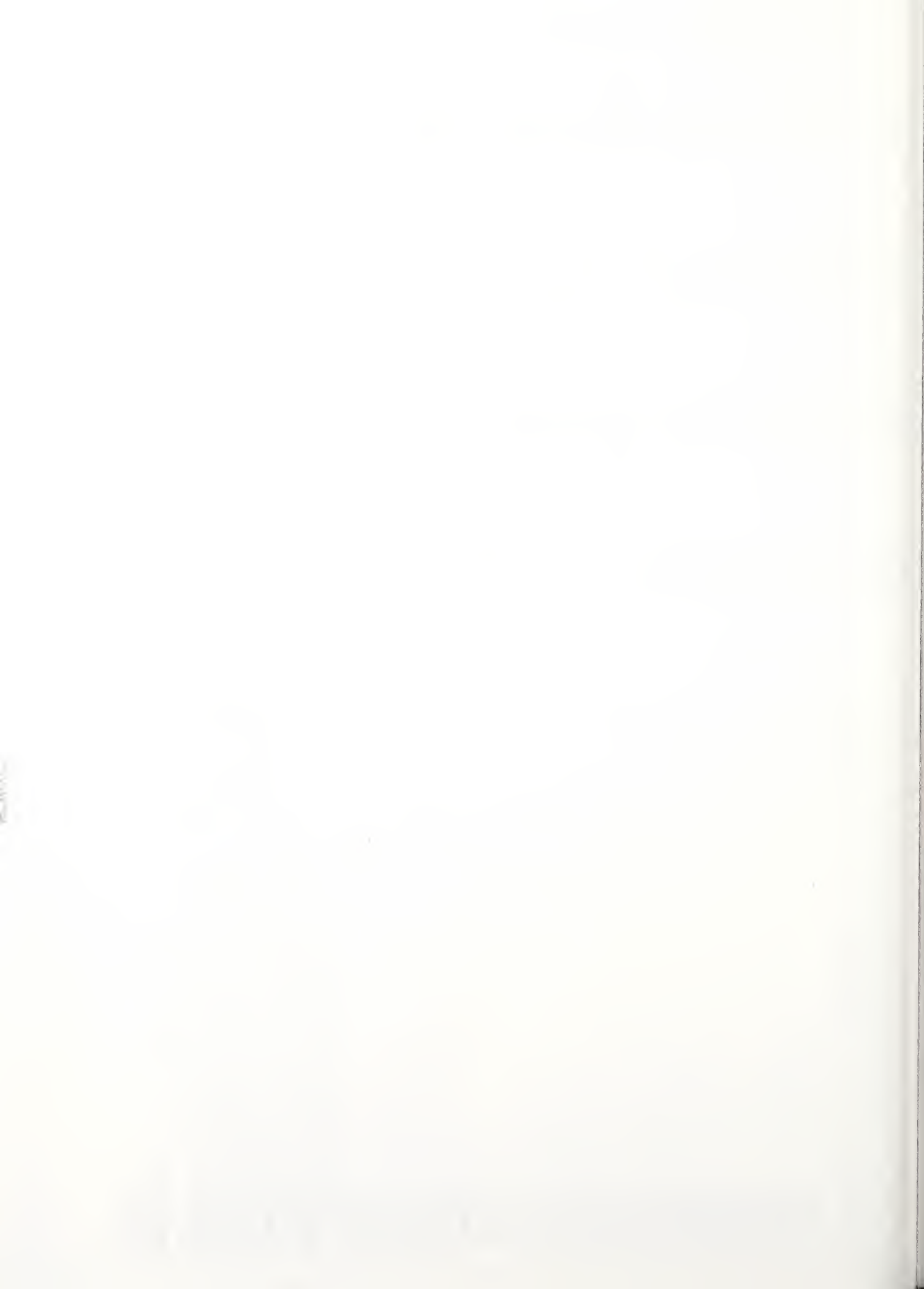
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